

102D

Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 14
Depositions

Daniel K. Inouye, *Chairman*,
Senate Select Committee
Lee H. Hamilton, *Chairman*,
House Select Committee

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

November 13, 1987.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed.

November 17, 1987.—Ordered to be printed.

Washington : 1988



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United States Senate

SELECT COMMITTEE ON SECRET MILITARY
 ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
 WASHINGTON, DC 20510-6480

March 1, 1988

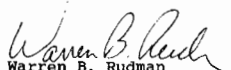
Honorable John C. Stennis
 President pro tempore
 United States Senate
 Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,


 Daniel K. Inouye
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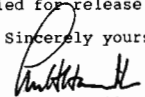
The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,


Lee H. Hamilton
Chairman

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CIA Communicator.
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Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original

exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the Senate and House Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair,
1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.

Appendix B: *Depositions*, 27 volumes, 1988.

Appendix C: *Chronology of Events*, 1 volume, 1988.

Appendix D: *Testimonial Chronology*, 3 volumes, 1988.

All publications of the Select Committees are available from the U.S.
Government Printing Office.

Testimony of William S. Hall

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HEARINGS

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION**UNITED STATES SENATE**

TESTIMONY OF WILMA GRAY HALL

Monday, April 27, 1987

*Partially Declassified on 1/22/82
under provision of E.O. 12958
by B. Rogers, National Security Council*

Washington, D.C.

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TESTIMONY OF WILMA GRAY HALL

Monday, April 27, 1987

United States Senate

Committee on Secret Military

Assistance to Iran and the

Nicaraguan Opposition

Washington, D. C.

Deposition of WILMA GRAY HALL, called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-220, Hart Senate Office Building, Washington, D. C., commencing at 10:47 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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On behalf of the Senate Select Committee on Secret
Military Assistance to Iran and the Nicaraguan Opposition:

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On behalf of the House Select Committee:

CLARK B. HALL, ESQ.

ALSO PRESENT:

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Associate Counsel to the President

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HALL EXHIBIT NUMBER	FOR IDENTIFICATION
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2	15
3	20
4	26
5	29
6	30

26
27
28

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PROCEEDINGS

Whereupon,

WILMA GRAY HALL,

called as a witness by counsel for the Senate Select Committee, having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MS. NOURSE:

Q Could you state your full name for the record please?

A Wilma Gray Hall.

Q Mrs. Hall, could you tell us when you first became employed at the NSC and for whom?

A Yes. June 1970, for Colonel Al Haig and Dr. Henry A. Kissinger.

Q And thereafter could you tell us who you worked for at the NSC up until the present time?

A Dr. Kissinger became double-hatted, so then I worked for Brent Scowcroft and Bill Hyland after Colonel Haig and -- well, General Haig at that time -- left and Dr. Kissinger was Secretary of State. After that Dr. Brzezinski, David Aaron, and then I went to work for -- Richard Allen came in with the current administration.

I transferred over to State Department to work for Mr. McFarlane when he was ^{THE COORDINATOR} counsellor, came back to the White

Per WGH

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5

Per West
Per West House with him as his secretary. When Judge Clark replaced Richard Allen. Bud McFarlane became the Deputy, and I transitioned when Mr. McFarlane left. I reversed positions. Instead of working in the primary position, I worked in the secondary position for Don Fortier.

Upon Don's death, Dr. Keel was appointed and asked me to stay and work as his secretary. And now I am working for Ambassador ^{> ORZAND} Sericane.

Per West
in West Q That's quite an experience at the National Security ^{COUNCIL} Agency. Could you give me a date when you began working for Colonel McFarlane?

A When I worked directly for him or with him?

Q With him.

A When he was a Major in the Marine Corps. In Dr. Kissinger's days he was the Military Assistant.

Q And when was that?

A I can't remember precisely the year. I've known Mr. McFarlane since about 1973, when he was a White House Fellow for Bill Timmons in the Legislative Office.

Q When did you begin working for him at the NSC?

Per West
 A I went to work directly for him as his personal assistant when he was ^{THE COUNSELOR} a counselor at the State Department. We transferred back over to the NSC in January 1982, January 20.

Q And you worked for him?

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A Directly for him as his secretary when he was a Deputy, and then when Judge Clark resigned and he became the Assistant, I stuck with him.

Q You worked for him when he was National Security Advisor, is that correct?

A Right.

Q Were you his only secretary?

A No, but I was his primary personal assistant, special assistant.

Q What were your duties as Colonel McFarlane's special assistant?

A Scheduling meetings, tasking, meeting papers, talking to people that he didn't have time to talk with, handling references from the President's office that were referred to Mr. McFarlane. Basically, I was just a personal special assistant for him, and we didn't do a lot of typing in our office. Most of the typing was done by the staff. Still is today. It's always been that way.

Q Did he dictate memos which you would transcribe?

A Occasionally.

Q Did you maintain a filing system?

A Of the things that he personally wrote, yes. Things that he signed, no. They were always kept in the system outside the office. A lot of things that he wrote eventually got into the system, but they weren't always.

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Files were maintained in the office and everything's there.

Q Perhaps you could explain for us a little bit what you means by "things that he personally wrote". Would he hand-write out a sheet and give it to you to type?

A Most of the time he either would dictate -- rarely he handwrote things because he just didn't have time to handwrite things. He would either dictate them or he'd do them on the PROFs machine, send me a note, and I would type it, finalize it, clean it up, and put it in memorandum form.

Q Are you speaking of personal correspondence here or official communications?

A He did a lot of Qs and As for the President, for press conferences, for various things that the President would have. He did a lot of press guidance for Larry Speakes, things that he knew the issues and he did directly for the President. He would do most of the things that he did for press guidance. Things that he personally did.

It might seem a little silly for the National Security Advisor, but he knew the issues better than just about anybody else.

Q If you know, did Colonel McFarlane take notes of meetings that he had with the President at 9:30 in the morning?

A I don't think he took notes at those meetings. He may have taken a one or two-word -- you know he did reminders

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to himself to follow up, but he didn't take notes to my knowledge. That's something you'd really need to ask him.

Q Were these consistent? Is there a set of reminders that he kept?

A He would keep them on a pad on his desk. He had like a five-by-seven pad, or a yellow pad sometimes, and he would just like write one word, and that one word -- like he'd write the name of a person, or arms control, or something like that, and that would trigger. He had an excellent memory. He has just total recall.

Q Were those documents filed and stored?

A No. At the end of the day he would line out the things that he had done and then he would carry over maybe for a day or two, and at some point during the week he would usually update his reminders list. If his list got too long, he would just keep the outstanding things.

And he put those things in his out box with a line through them, which meant destroy. Or he'd fold them, which meant destroy. There was no need to retain those. I mean, no one in that office to my knowledge ever has. It wouldn't mean anything to anybody else anyway, I don't think.

Q I'd like to show you a PROPs note that I believe you are the author of -- and I have some copies. It's the middle one.

A Eighty-six.

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MS. NOURSE: If the Reporter could mark this Exhibit 1.

(The document referred to was marked W. Hall Exhibit Number 1 for identification.)

THE WITNESS: I can't really see who I wrote it to on the bottom. Oh, it's RCM. O.K.

MR. BELNICK: Maybe the witness could describe it for you.

BY MS. NOURSE: (Resuming)

Q For the record, Exhibit 1 is a PROF note from Wilma Hall to Oliver North. It is our Bates stamp number N17815 and in the middle of the page, dated 11-20-86 at 17:18:28.

(Pause.)

A I remember writing this.

Q You could help me if you would clarify the meaning of the second sentence here -- the third sentence, rather. "I'm not sure that Howard knows that we still have PROFs to Bud and want to protect that. So could I please ask you to discuss with Howard and give me something from both of you for Dr. Keel." Could you tell me what you meant by that sentence?

A The fact that Mr. McFarlane still had a PROF system connected with the White House was rather close held,

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I think. I was told that he was to continue having PROFs, White House communications, because he was working on sensitive projects for the President. And I did memos from time to time extending that at the request of Paul Thompson, extending that service to Mr. McFarlane. It was not at Mr. McFarlane's request that the system was in place.

Q While we are on the same note here, perhaps you could give us a little background on the incident with Michael Ledeen that is described in the note, as much as you recall.

A Michael Ledeen called and wanted to speak with Admiral Poindexter. Admiral Poindexter refused to take his call. So Michael Ledeen and I know each other. He called back and said, since he was not able to get through to Admiral Poindexter, and Admiral Poindexter would not return his telephone calls, could he please speak with Dr. Keel.

Because he is a consultant to the NSC, he is not permitted -- because of his consultancy role -- to talk about NSC matters without clearing it first with the NSC and the White House. So before he could go on any press interviews he had to get clearance from the NSC. Otherwise he would be in violation of his NSC consultancy role. So that's what he was seeking to do.

MR. BELNICK: I have to go upstairs, if you could just let me ask a couple of questions.

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BY MR. BELNICK:

Q Wilma, do you remember back in the summer of 1985, late August, early September -- that period -- Congressman Barnes wrote letters --

A Right.

Q Questioning Oliver North's activities in Central America. Do you recall the incident?

A I did not see the letters. I am very much aware of the incident because I scheduled the meeting for Congressman Barnes to come and meet with Mr. McFarlane and discuss the matter -- at Mr. McFarlane's invitation. He wanted to meet with him. He wanted to try to clarify the situation.

Q Exactly. Prior to the meeting that you scheduled between Congressman Barnes and Mr. McFarlane, do you recall Mr. McFarlane gathering documents to review?

A Yes, he did.

Q And how did he do that?

A He asked Paul Thompson to get together with Colonel North and bring all materials having to do with this issue to his office, that he personally wanted to review all of these documents and to see if there was anything there that, you know, that the Congressman had a legitimate -- you know was there anything in the record that Ollie had been doing anything.

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He wanted to be able, when he met with the Congressman, he wanted to be able to say very honestly that he had not found any information and so forth. And I think Paul also met with other people on the staff to try to ensure that all of the materials were reviewed.

Q Did you overhear Mr. McFarlane give those instructions to Paul Thompson?

A No, but I know that this was the case because Paul, in fact, put this process into effect and had Colonel North bring the documents to his office and Paul reviewed them from a legal point of view, I think, to see what was there.

And I know because I saw him with the documents. He had quite a lot of documents. He personally went through all of the documents.

Q Paul Thompson did?

A Yes, he did.

Q And did Paul Thompson then bring those documents to Mr. McFarlane so far as you know?

A Yes, he did. And Mr. McFarlane spent a lot of time going through them. He stayed quite late at night, and he went through everything -- as far as I know, everything. I mean everything that was given to him he went through.

Q On more than one evening?

A Yes.

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Q And you know that because you saw him reviewing the documents?

A Yes.

Q Do you know whether Commander Thompson indicated that any of the documents were a problem?

A No. I don't know anything about that part of it. I do know that Bud reviewed all the documents. I know that Bud was very concerned about making sure that there was -- nothing illegal was being done. And he also wanted to ensure that it was the case that everything was cleared up.

Q Did you hear Mr. McFarlane tell Commander Thompson or anyone else whether he thought any of the documents may be problematic in some way?

A I can't honestly remember him ever saying -- commenting on the documents at all. I know I did see him talk with Paul about them, but I just don't know what was said. The office is very busy, so it's hard to keep up with everything that's going on.

Q Sure. Do you know whether he talked with Colonel North about the documents?

A Mr. McFarlane?

Q Yes.

A I don't know that he talked with Colonel North about the documents, no, not for sure. They may have discussed them.

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Q Did Mr. McFarlane ask you at any time to make copies of any of the documents?

left right
A I ~~don't~~ recall making copies of anything. I'm trying to remember when Congressman Barnes was there, if we gave him copies of anything. I can't remember.

Q I believe that was in October of 1985 when Congressman Barnes was in, I think. I think that's when the date was. Do you recall him coming to Mr. McFarlane's office?

A Yes.

Q And he came alone?

A That's right. Mr. McFarlane met with him alone.

Q Do you recall if the documents were in Mr. McFarlane's office when the Congressman was there?

A I honestly can't remember if the documents were there. I can't remember.

Q Did Mr. McFarlane at any time make any comment about any of the documents to you?

A No. No, but he took things like that very seriously. Any time there was any kind of an allegation like that, I know he sought to get to the bottom of that -- and I know he sought to ascertain that everything was being done on the up and up.

Q Do you know whether Mr. Fielding reviewed those same documents?

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A I don't. Paul Thompson would have to tell you that.

MR. BELNICK: All right. Nice to see you again.

THE WITNESS: Nice to see you.

MR. BELNICK: Excuse me.

BY MS. NOURSE: (Resuming)

Q On the same topic, the same time frame as Congressman Barnes' request, do you remember speaking to Mr. -- do you remember Mr. McFarlane speaking to Ken deGraffenreid about the documents?

A No. But there's no way I would know that. He may have. He may have had me place a call to Ken or have Ken come over, but I wouldn't necessarily have known what that was about.

Q Okay. I'm going to show you another document. Unfortunately, I don't have copies for you, but you probably have seen it. If the Reporter could mark this Hall Exhibit 2.

(The document referred to was marked W. Hall Exhibit Number 2 for identification.)

If you could take a look at the document and see if you remember anything about it -- receiving it, having a conversation about it. I'll tell you up front that this is the renowned diversion memo of April 4, purportedly.

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A I was just going to ask of what year?

Q 1986. I believe on the fourth page is the paragraph dealing with --

A I don't recall ever seeing this. You know, I saw a lot of American hostage things, but I don't remember the title being set out like that.

April of 1986 was about the time that Mr. Fortier became ill, and I saw almost no documents that went to Admiral Poindexter during that time frame. I did maintain control of the office log, but that doesn't look like anything. It doesn't have a number up there. So it means it wouldn't have gone through me. I mean, that number is not ours. I can tell by the way its printed on there.

Q The N 7515 is our Bates stamp number.

A We use system numbers, and I would recognize. I mean, working with them long enough, I would recognize.

Q There is no system number on that document?

A I didn't read that, but I am sure I have not ever seen that document.

Q Okay. Tell me about maintaining the log system.

A When I reverted back to the Deputy secretarial position, assistant position, that position, part of the responsibility of that position was maintaining the office log of all the documents that were within the office and where they were -- being whether they were with Admiral

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Poindexter, Paul Thompson, or Mr. McFarlane.

And when I worked with Don Fortier, it would have been whether they were with Don Fortier, Paul Thompson, or Admiral Poindexter. Everything that was received in the office came to me to log in. And after logging it in, we would give it to the appropriate person it was marked for. Bob Pearson, or the executive secretary, whoever it was at that time, would indicate -- Rod McDaniel -- who should get the next routing of the document. We had routing slips on them. Those were controlled documents.

Q In other words, you have a record of each document that, for example, Admiral Poindexter saw? Is that correct?

A There is a record, yeah. There is a record on the computer now. We converted to the computer, and there is a record on the computer of every document he saw, yes. I don't know how they keep those. I mean, I don't know -- you would have to know the document number to know whether he saw it or not. But he always initialed everything in red pen that he saw.

Q So, one could search by a system number on this computer --

A And tell who saw it.

Q -- and tell who saw it?

A Um-hum. And that would be a long task. I don't think that would be an easy task.

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Q Was it also the case when you were working for Colonel McFarlane that there was a log of all documents that he saw?

A Yes. That was maintained by Florence ~~Chant~~^{Gantt} because she worked in the Deputy position at that time.

Q Perhaps you could explain for me the secretarial system that operated. You were speaking of being the Deputy assistant and taking care of the logs. Just give us a short explanation of the system. Frankly I'm a bit confused.

A Well, there are three offices upstairs. There is the Deputy Assistant position, the Assistant to the President position, and there is the Military Assistant. All papers were routed through all three of those people. They would go first to the Deputy, and then to the Military Assistant, and then to the Assistant. Not in all cases.

In some cases they would bypass the Deputy. If it, for instance, was a letter ^{that} had been addressed to the Assistant to the President, it not necessarily always needed to go. You know, if it was an invitation to address or something like that -- a response -- there were some things that weren't worth the Deputy's time. They just required a signature. It was kind of a bread and butter type thing, and they would go directly to the Military Assistant and then be assigned out.

The system always went back through the log or the

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computer control, whichever was in effect. We had a handwritten log for a long time. And then we started putting everything on the computer. The only reason we did that in our office was just so that if somebody called us, an action officer called and said, I sent a memo over to Mr. McFarlane, can you tell me where it is? It has to go out by 5:00 today. We could look at the log real quick and find out that it was still with them or Poindexter, and we could move it. It was just to help us make sure that things got done in a timely way.

Q Were System IV documents logged?

A Yes, they were. Everything with a number on it. System IV was handled. They were very sensitive because they were intelligence documents. So they were always handled -- hand-carried directly to our office. We'd log them on our log just so we could find them if we needed to. We didn't read those. They were always in sealed envelopes with a cover sheet on the front. Sometimes you would open the envelope to see what the subject was. So that you just -- if somebody asked you, or the action officer ^{where} ~~where~~ it was because you couldn't always tell by the number on the outside.

Q Did Colonel McFarlane ever ask you to request an original System IV document from the files?

A No. Not that I can recall, no. He never stated original. Sometimes he would want to see a copy of

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something, but it wouldn't necessarily have been in System IV. I'd have never requested the original document.

Original documents go to the Assistant, and he either signs them out ^{OK} and acts on them; then they go to the files. He might at some later date need to refer to something that had been done earlier, but I usually just got a copy.

Q Okay. Back to the documents, and I just have questions if you could explain some references or what you remember about certain incidents, if the reporter could mark this as Hall Exhibit 3.

(The document referred to was marked W. Hall Exhibit Number 3 for identification.)

Mrs. Hall, if you could take a look at this and read through it and when you are finished --

A What do you want to know? I barely remember this.

Q Do you recall how it is that this note was written? Did Mr. McFarlane ask you to?

A I did all -- every time I talked with someone on the telephone I wrote a note just like this. This was one of the primary functions of my job. Mr. McFarlane simply didn't have time to talk to everybody. I talked to Senators. Every time a Senator or Congressman -- you are going to find notes like this, too -- would call -- anybody I talked with, a lot of people. David Rockefeller, you will probably find a lot

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of notes from him.

But it was the function of my job to take the essence of the request, always put it on a form, because Mr. McFarlane was a very busy man. What I did is a notes folder. It's just a manilla folder, and put "notes for RCM" on the front. All during the day, every time I got a call, I'd type it up, put it in that notes folder. He would be at a meeting, and when he came back from a meeting that's the first thing he would look at to see if anything had happened since he left the office.

And he would act on the notes. He was very good about that. If he ever didn't act on a note, it meant he didn't want to deal with it. And that was rare. I mean, he always gave you an answer -- yes, no -- and these options are my options. I make up things as I go along. And the reason I've got this "no, I don't want to see Ledeen" is about nine times out of ten the answer was "no, I don't want to see Ledeen."

Q Was that with respect to Mr. Ledeen, or in general, that he did not have time to see a lot of people?

A In respect to Michael somewhat, because Michael, as much as I like him, he was a frequent caller, and it was not possible to see him all the time that he wanted to see Mr. McFarlane. But that doesn't mean he -- you know, he had legitimate reasons, I guess, for wanting to see him, but he

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just -- you give him five minutes one day, it gets to be continuous calls.

Q Did Mr. McFarlane meet with Michael Ledeen fairly frequently?

A I wouldn't say frequently, not as frequently as Mr. Ledeen would have liked to have seen him. But frequently in the realm of things, yes, considering how busy he was and how complicated his schedule was. I think that I wouldn't say frequently; I'd say maybe one out of every ten times. And I would say not more than -- I don't know. If I could see my calendars -- I mean everything is on my appointment books. Somebody has those -- the FBI or somebody -- and you can see. You know, records -- Mr. McFarlane has his records of schedule.

Q I wanted to ask you about the records of schedule. Is it your understanding that the records of schedule are actual verbatim records of who Mr. McFarlane saw?

A They are close. They are not actual verbatim. That's impossible. It is absolutely impossible for it to be verbatim, because that's a very busy office and the person ~~that~~ kept the records of schedule was Kay Zerwick, his secretary. And if she happened to be away from her desk, or she didn't happen to see the phone ring, or something, it's possible that something got omitted.

But as far as meetings I would say that the

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records of schedule are probably pretty accurate. The only case in which they wouldn't be accurate is maybe if Mr. Regan or the Vice President, or somebody from the staff were to just walk in for a minute or two and somebody missed them going in and out. You know how you get so used to seeing people coming and going. They would notice a visitor, because a visitor would have to be cleared and scheduled.

So you would know that that person was in there and it would be on the appointment book and it would also be in the record of schedule. You see, one thing about the record of schedule that is a little bit confusing, too, is that Kay Zerwick, that was one of the functions of her job was to keep the record of schedule during the day. And then at night a night secretary typed that record of schedule.

And there were times when I would go back and look for something that I knew took place, and I would find that it wouldn't be there, for one reason or another, or I would find typos in the timing -- like a meeting that I knew he couldn't have had at 11:00 because he would have been in a meeting with the President. They would have it at 11:00 and the meeting actually took place at 10:00 or something like that.

So, I would not say that those records were verbatim. I would say they were probably 90-95 percent correct.

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Q OKAY.

A Is correct as you can be unless you had one person totally focused on one other person constantly.

Q Getting back to Exhibit 3, which is a note from you to Mr. McFarlane on July 11, 1985, regarding an appointment that Mr. Ledeen sought, can you remember anything else about this incident? Was there ever a conversation that you had with Mr. McFarlane about meeting with Michael Ledeen at this time?

A This meeting apparently took place, because I've got it on here. It is my handwriting. 8:00 a.m. or 9:00 a.m., or 10:00, the Xerox is so bad. It's probably 10:00, because on Saturdays Mr. McFarlane liked to come in and go through his intelligence stuff before he had meetings. I generally didn't start meetings on Saturday until around 10:00.

Q And is this notation on the left yours as well --
Res. [REDACTED]

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A Yes. Residence. I always put a point of contact, and I always put the name of the person who called me unless it's the person that I actually talked with. If it's a secretary, I put her name and phone number. If it's a staff person, I always put -- that's because this meeting was scheduled by me at some point, July 11, 12, or whenever I scheduled it. The time of the appointment is on here.

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But we put it in a folder and I might not have been working on that Saturday, and if Mr. McFarlane came to the office on Saturday morning and saw that Michael Ledeen was on his calendar for 10:00, he'd say why is he on my calendar, why am I seeing him? Then the secretary, whoever it was, could put the folder and say, well, you agreed to do it. I mean, you know, because seems like -- I don't know how to explain it in that office. I'm sure these offices are busy up here, too.

But, I mean one day out there is like a week. So much happens in a 24-hour period.

Q I'm beginning to understand how that is. Are these notes that you take of telephone conversations kept in one central file?

A They were in his -- I have a file entitled notes to RCM. It should have been in his chron files. I don't know where you got these from. Did he give them to you or did they come from the files? I would think they came from your White House files.

Q We received these from the NSC.

A Yeah, so they are part of his official files.

Q Moving on to another one of these documents, this document is a PROF. What I would like to ask you is basically the format and not the content. I'm not interested in discussing the content on the record. If the reporter

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could mark this --

A I can't read this. Who is it from?

Q All right. That is what I wanted to ask you. If the reporter could mark this as Hall Exhibit 4.

(The document referred to was marked W. Hall Exhibit Number 4 for identification.)

A I can't read it. Do you have a better copy?

Q Unfortunately not. If I could, all I'm concerned about are the first five lines. If I could just read to you what I think they say. It says: "note from Robert McFarlane subject note to the President, subject sensitive operation in Nicaragua." I'm not concerned with the content of the note. Maybe this is a better copy.

I think that the message indicates that it is from Mr. McFarlane to you.

A No. Well, there is somebody else that it's to.

Q That's what I wanted to ask in terms of the format here that's used.

A He addressed it to me, but there is somebody else's name on it. Wait a minute. I'll have to read it to figure it out.

Oh yeah, I remember this. This was a note from Mr. McFarlane to the President. And he sent it to me. I guess I am the only addressee. This was a very sensitive,

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extremely sensitive operation.

Q Yes, I understand.

A We did an original only of this. It went to the President, and the President made a decision.

Q What I wanted to ask you was how often this kind of communication took place whereby Mr. McFarlane would send you a PROF note.

A This is the kind of thing that he would send only to me and no one else in the office -- except maybe the Admiral would see something like this -- because of the sensitivity. Not often. Rarely. But when it was very special, sensitive operations like this, and he wanted the President to make a decision -- wanted the President to be aware and make the decision -- he would do them personally.

And it was usually based on information from Director Casey, or maybe Secretary Shultz. He and Shultz would have talked about it on secure or he and Casey would have talked about. These were extremely close hold. But he did put them in written format.

And I know of one or two other incidents that he did this and I would not want to put it on the public record because they are extremely sensitive.

Q I understand.

A They do not have to do with Nicaragua, however.

MS. NOURSE: Off the record for a minute.

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(A discussion was held off the record.)

BY MS. NOURSE: (Resuming)

Q Back on the record. Let me just take a minute to explain that this Exhibit 4 is a PROF note, our Bates stamp number 17800, and it is dated April 3, 1984 at 9:24:50. Let me just clarify. This was an unusual practice?

A Unusual, yes. Mr. McFarlane did that only when it was extremely sensitive, and this was something that came from him from Secretary Shults or Director Casey. It was usually Cabinet level.

and because of the time crunch it was not possible to have a courier get it there, because there was a timing problem and the President needed to know about it right away.

Q You would type this up in a note to the President?

A Yes. Original only.

Q Original only?

A Right.

Q Do you know what happened to those originals?

A Sometimes the originals came back to us.

Sometimes, I don't know what happened to them. I guess the President kept them. Maybe he burned them in his ashtray. don't know.

Q I understand.

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A I don't mean to be a smart-alecky.

Q That's okay.

A I don't think he would do that because they are for the record. Otherwise they wouldn't have been written.

By the way, these that came back to us would be in our files. Even though they are sensitive, they would be in Mr. McFarlane's chron or in the intelligence files. So you should be able to -- the original of that exists somewhere.

Q Okay. Let me show you another PROF, and this is probably the last document. If the reporter could mark this as Hall Exhibit 5.

(The document referred to was marked W. Hall Exhibit Number 5 for identification.)

This is a PROF note, our Bates stamp number N17808. I believe it is from you, Mrs. Hall, to Mr. McFarlane, August 19, 1985. Tell me when you've read it.

(Pause.)

A I've read it, but I never did know what "soap" meant.

Q That was one of my questions.

A I have no idea.

Q Do you recall this incident?

A I remember that PROF note. ^{THS} It was again a case of where I ended up talking to people who -- I was an extension

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of Mr. McFarlane. Everybody who couldn't talk to Bud knew that they could talk to me, and that it would be the same, because they knew that I would pass it only to him and to no one else. I didn't talk about things like this.

Q And you did not know at that time--

A Never thought I'd see them again either.

Q I suspect very few people did.

At that time you did not understand what the term "soap" or "replenish supply" meant?

A I don't even know that Mr. McFarlane did. You know, Michael Ledeen called and gave very cryptic messages sometimes, and I would pass them to Mr. McFarlane, and he would look very puzzled. So I think you really need to follow up with him.

Q Okay. Fine. I retract my statement. One more document. Let's see if you can enlighten us on this one, if the reporter could mark this as Hall Exhibit 6.

(The document referred to was

marked W. Hall Exhibit Number 6.

for identification.)

This is a set of PROF notes, our Bates stamp numbers N17804 to 17806. The PROF notes are all dated June 12 or 13, 1984, three pages. It concerns conversations with Jack Kemp relating to Mr. Shashoggi. And after you've had a chance to read them all, I'd just like to ask you if you

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recall anything specifically about this incident.

(Pause.)

A Okay. I've read it.

Q Do you recall having conversations with Mr. McFarlane about Mr. Tyson's request and the subject of the PROF notes?

A These are the extent of my conversations with Mr. McFarlane about Chuck Tyson. I had no verbal conversations with him about Chuck Tyson. I don't know -- I think Mr. McFarlane was surprised that Chuck want to work for Mr. Khashoggi. Mr. McFarlane had received a number of documents in the past from Mr. Khashoggi, who saw himself as sort of a Middle East peace initiator. But basically he sent these documents to Mr. McFarlane for information.

Rec'd with They were ~~sent~~ given to Jeff Kemp.

Q Do you know why Mr. McFarlane was surprised that Chuck Tyson would go to work for Mr. Khashoggi?

A It would just be an opinion on my part, but I think that he thought that Mr. Tyson had more integrity than to work for Mr. Khashoggi.

Q Do you know what the K operation referred to in these notes is?

A I have no idea what that is. I was just conveying a message. I didn't understand it. I think that Mr. Tyson knew that -- I think the K operation at that time, what Mr.

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Tyson was referring to -- and again it is just strictly an opinion on my part -- was these documents that he had had delivered about he wanted to be sort of a negotiator. He was a very wealthy man, who, you know, sort of wanted to play with power, I think, ^{basically} ~~basically~~.

*Per
Witt*

And I think he thought that his access to the White House was -- he wanted to be perceived as being more important and playing a more important role than he really did. I don't think Mr. McFarlane ever trusted him.

Q Okay. I just have a couple more questions.

A Those papers should be in the file, by the way.

Q The papers that are the subject of these PROF notes?

A Well, the papers that Mr. Khashoggi previously delivered -- big, thick packets of stuff, which Mr. McFarlane didn't even take the time to read. He sent them to Jeff to be analyzed. So they should be in the files.

*Per
Witt*

Q I understand that Fawn Hall, Oliver North's secretary, is your daughter.

A That's correct.

Q During November of this past year, 1986, did you have any conversations with her about the revelations that had arisen about the Iran-Contra affair?

A No. Fawn and I did not discuss our work. That is one thing that -- we were both very professional in our jobs

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and we did not discuss our work. I didn't know anything about anything she did for Colonel North, and she didn't know anything about anything I did for Mr. McFarlane. It was none of her business, and what she did was none of mine. The only thing I did say is the day the resignations -- I mean, I was as shocked as everyone, because I watched Mr. Meese's appearance with Dr. Keel, and I was totally floored.

I sent her a note that said that she should not discuss it with anyone because I knew that she would be very very emotional because she was very committed to working with Ollie, and she believed in what they were doing -- her work with him. And I knew she would be very emotionally upset and I knew a lot of people would probably be asking her questions. So I sent her a note and suggested to her just to tell people that she didn't want to talk about it, or she didn't know, or anything, because she had to have time to get used to the idea.

I did that as a mother, not as a secretary. I would have called my daughter from home if I had been working at home, too. I just think that when you are a mother you think your kids are always kids. But it's not because I had any special knowledge of anything.

Q Have you had any conversations with her since that time about this matter?

[Laughter]

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I certainly hope she's had conversations with her daughter, and I'm sure she has.

A Yeah, oh, yes. No, except just the usual things that you see in the paper and things like that, nothing as far as documents or their relationship, or anything she may have done, or may not have done, or anything. I mean, I know there has been an awful lot of stuff in the paper and it's very upsetting to all of us.

Q No discussions about altering documents?

A No. She does not discuss those things with me.

MS. NOURSE: Fine. Mr. Hall, do you have some?

EXAMINATION ON BEHALF OF THE HOUSE COMMITTEE

BY MR. HALL:

Q Just a couple of brief questions. Recognizing, of course, that the volume of your workload is very heavy, do you recall seeing or typing any document, other than the one Victoria showed you, relating to a diversion of funds to the Contras from the Iranian Arms sales?

A I didn't do any typing like that. I mean, no. That wouldn't have been something I think would have been done in our office. I don't even know -- that's not a format that I would use there.

MR. MC GRATH: Let the record show that Mrs. Hall has not identified any other document that she saw or typed relating to the diversion of funds to the Contras.

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35

MS. NOURSE: Yes.

BY MR. HALL: (Resuming)

Q That's the document that Victoria previously showed you which related to the diversion.

A Okay. I did not read that document. I simply scanned it, but I'm absolutely certain I've never seen that document.

Q Have you ever heard--

A I may have handled that document, but I have not read it or seen it before. I mean I may have given it in an envelope or something. I mean I have no way of knowing. I have no knowledge of the document.

Q Have you heard discussions among individuals at the National Security Council speaking specifically about Admiral Poindexter, Colonel McFarlane and Colonel North regarding the diversion of funds.

A I've not heard any conversation about diversion of funds in the White House, except since this thing broke out. People have been talking about it. But no.

MR. HALL: Thank you.

MS. NOURSE: That's it.

MR. MC GRATH: I would like the record to show that Mrs. Hall had no advance notice of today's deposition. She agreed at the last moment to testify here voluntarily today and has exhibited extreme cooperation with the

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Committee Members and Staff.

MS. NOURSE: I concur with that. And I thank you very much for taking the time to come down here and sharing with me the wonderful intimidation of that machine.

(Whereupon, at 11:41 a.m., the taking of the instant deposition ceased.)

SIGNATURE OF THE WITNESS

Subscribed and sworn to before me this _____ day of _____, 1987.

NOTARY PUBLIC

My Commission expires: _____

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UNCLASSIFIED**CERTIFICATE OF REPORTER**

I, Michal Ann Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer

NOTARY PUBLIC

My Commission expires February 28, 1990

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...in the past, the fact that this was an excellent officer, well-liked and well-known to everyone in the public eye, and all this being relatively accurate, in our best interests the public not be informed and the fact that the public would be able to see the public not be informed. In the opinion of Dr. Keel, Ledeau was "neutral."

Dr. Keel has asked me to check with you for your thoughts on Ledeau -- and whether/how we can use him. Should he be permitted to do any TV appearances, etc? You may wish to address Dr. Keel directly.

Thanks for your thoughts.

cc: SAC --CPA, Ledeau, etc.

BT From: BERN --CPA, Ledeau, etc. 11/20/86 17:19:20
 For: BERN --CPA

NOTE FROM: BERN, etc.

Subject: Michael Ledeau

-- SECRET --

Re: "out of pocket" and has not seen following note. Dr. Keel has asked me to forward note to you and Howard Richter for your thoughts on "Michael Ledeau Ledeau" could be he be helpful? I'm not sure that Howard knows that we still have plans to find a way to protect that we could I plan to go to Ledeau with Howard and give as something from both of you for Dr. Keel. I will send separate note to Howard on this and cc you. Many thanks for your help.

cc: BERN, Ledeau, etc. 11/19/86 17:28 ***

For: BERN --CPA, Ledeau, etc.

-- SECRET --

NOTE FROM: BERN, etc.

Subject: Michael Ledeau

has asked to speak on publicly -- what is it but this invitation as longer valid since situation is --

Michael Ledeau called to say

at 11:15 AM on 11/19/86

and said that he had

question about as a re

Ledeau said he had been be

role in all this is from ty

well-prepared and well-tr

on all this he absolutely accu

be interviewed and he wanted to be

to be helpful. In the opinion of Dr. Keel, Ledeau was "neutral."

Dr. Keel has asked me to check with you for your thoughts on Ledeau -- and whether/how we can use him. Should he be permitted to do any TV appearances, etc? You may wish to address Dr. Keel directly.

SECRET

N 17815

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5334

23 NOV 86

W. HALL B.I.

W. Hall Ex. #30
11 Jul 85
N 10579

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July 11, 1985

PCM:

JMP talked with Michael Ledeen this morning about an urgent message from Peres for McFarlane which Al Schwimmer, a Jewish-American who provides lots of money to Peres, wants to deliver to PCM.

In the meantime, Schwimmer has flown down here and had lunch today with Michael Ledeen and Ledeen has called back with the following:

"It is indeed a message from Prime Minister of Israel; it is a follow-on to the private conversation he had last week when David Kimche was here. It is extremely urgent and extremely sensitive and it regards the matter he told David he was going to raise with the President. The situation has fundamentally changed for the better and that I must explain to him because it will affect his decision. It is very important. It won't keep more than a day or two but could keep until Saturday morning. This is the real thing and it is just wonderful news."

Should I try to schedule Ledeen to see you?

☐ Yes, Friday afternoon
☒ Yes, on Saturday
☐ No, I don't want to see Ledeen
Other: _____

Wilma

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PRIMCY

5337

200 H.M. Jul 26 1985

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REM-9
12/30/86
JMK

WILLMA 4412

EXHIBIT 5

2/19/5

DENIED IN

TOTAL

5338

NO WASTE HOUSE CONSTRUCTION

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Page 00035

W. HALL EX. #5

N 17808

00/19/05 10:30:00
 756 PM:NY: N:W:IN --CPWA TO: BSCN --CIWA
 TO: WSHN --WMA BUREAU C. MCPABIAN

-- SKCB01 --

MR. TOLSON: OLIVIA WALL
SUNDAY: Michael Jordan

It is important that the government do the alleged Syrian role in that's relevant. But how have you been to do this -- perhaps some briefing, perhaps some briefing.

Another report in Part (first page) the country says that Assad was involved. Not true and it is very bad.

The other subject -- issue of replacement: the people who sold the money for us want to replace their supply.

Congressmen today - returned home at 3:00 p.m.

Step 1: Pool 100 men

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5339

06/12/04 16:20:41

SECRET

WFOV 7000: 01L9A MAIL

Samuel S. Chace Tyson

Claude Truitt at truitt@truit.com after some investigation and asking time to catch up on his job. "He's got a good position with IBM/Oracle and will be managing a lot of people," he has a good working operation in Florida which Cheryl will be in charge of -- the majority of the business in the South, most of them here. Cheryl has known about your dad and Geoff for a couple of years. I for sure like her but has not been in a position to discuss with you previously.

in our conversation, Check was very discreet on the phone — double talking without using Mr. King's full name. He would like to meet with you for 10 client's meetings this week to talk. Are you willing to see them?

100% SATISFIED

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5340

N 17805

06/12/04 15:11:05

-- SECRET --

I told that mobid not add it clear in yesterday's meeting that
 we was copying a message but that I would redneck it with you.
 Fredrickson --CP88 VO: BROWN --CP88 06/12/90 15:30:16
 meo WPM: BROWN --CP88
 vo: BROWN --CP88

-- SECRET --

Subject: FBI File No. - 06-11789 15:11 Chuck Tyson
Please make it specifically clear that no such contacts are authorized by anyone on the NC staff.
Reply to me 06/11/78 15:11 Chuck Tyson
PFC TPOH: ASKIM --CPSA
TO: PSON --CPSA
06/12/80 16:39:02

-- SECRET --

I have noticed that the circle of knowledge concerning the π operation has widened -- a virtue, then I suspect, I don't believe this is a consequence of

GLASS

1. 2. 3.

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N 17806

I want nothing to do with it. Please advise Shabens of this and say that while I am waiting I want ask that no further representations be made of us without previous to Bureau involved. You may tell him why.

CGI BSMN --CPSA

Note to Geoff requires only (in sealed envelope)

NSC FROM: BSMN --CPSA TO: BSMN --CPSA

TO: BSMN --CPSA

06/15/00 11:25:06

-- SECRET --

NSC FROM: BSMN MAIL

NSC FROM: Geoff Keep

Geoff to another clarification from you on your note re the 5 operations. Geoff needs to know whether you intend to do this or whether Geoff Keep can still meet with it and [REDACTED]

In response to my prior note re Geoff Keep's request to see you, you said "Please wait at especially clear that no such contacts are authorized by anyone on the NSC staff."

Geoff asked me to verify you on this -- he simply wants to get your clear guidance so that he can act accordingly and not violate your instructions.

Geoff Keep

NSC FROM: BSMN --CPSA TO: BSMN --CPSA

06/16/00 16:25:07

TO: BSMN --CPSA

-- SECRET --

NSC FROM: BSMN MAIL

NSC FROM: Geoff and Mr. X

Geoff called and asked that I pass the following to you: "Geoff called Shabens and passed on your instructions and said 'I am waiting' for him, so could not proceed at this time; that Geoff would contact Shabens if and when things changed but that for the time being, there should be no contact. Shabens said he 'fully understood.'"

Geoff and Mr. X

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5335

X3

Chms. Hasumi?

NAME: HIR029000

PAGE 1

1 RPTS BOYUM
2 DCMM SPRADLING

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COPY NO. 1 OF 2 COPIES

5 DEPOSITION OF EUGENE HASEMFUS

7 Thursday, January 29, 1987

8
9 House of Representatives,
10 Select Committee to Investigate Covert Arms
11 Transactions with Iran,
12 Washington, D. C.

13
14
15 The select committee met, pursuant to call, at 9:30 a.m.,
16 in Room 2226, Rayburn House Office Building, W. Neil
17 Eggleston [deputy chief counsel for the committee]
18 presiding.

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NAME: HIRO29000

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19 . Whereupon, EUGENE HASENFUS, after having been first
20 duly sworn, was called as a witness and testified as
21 follows:

22 . EXAMINATION

23 . BY MR. EGGLESTON:

24 . Q Mr. Hasenfus, let me inform you that my name is
25 Neil Eggleston, I am Deputy Chief Counsel of the House
26 Select Committee to Investigate Covert Arms Transactions
27 with Iran. This is an investigation that is being conducted
28 by the House of Representatives Select Committee into the
29 activities of various individuals involving both Iran and
30 Nicaragua.

31 . Also present with me are George Vax Cleve and Mike
32 O'Neil, who are both also with the House of Representatives.

33 . You are appearing here today pursuant to a subpoena
34 which was issued by the House Select Committee. I take it
35 you have received a copy of the subpoena. I don't intend to
36 read it to you.

37 . In addition, let me just say for the record that
38 your lawyer is also present with you, is that correct?

39 . A Correct.

40 . Q Before we sort of get under way, let me just ask
41 you, the subpoena has an attachment to it which calls for
42 the production of various records, and is it my
43 understanding do you have any documents to produce pursuant

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44 to this part of the request?

45 . A I have all my bank transactions that were acquired
46 before--through Griffin Bell for our case in Managua plus a
47 few other bank notes, and everything to do with [REDACTED]
48 National Bank I have with me.

49 . MR. PLEGER: If I may, did the bank produce the
50 records that you requested?

51 . MR. EGGLESTON: Let me say the bank produced
52 various records as well.

53 . THE WITNESS: We have a duplicate with us, so it--

54 . MR. PLEGER: From the [REDACTED] National Bank.

55 . MR. EGGLESTON: Yes.

56 . If you could produce those to me I could determine
57 if they correspond with those that I have received from the
58 bank.

59 . THE WITNESS: All right, and this is all I have.

60 . MR. EGGLESTON: I will just take a minute and look
61 over this and see if it look like a duplicate of what I
62 have.

63 . (Discussion off the record.)

64 . BY MR. EGGLESTON:

65 . Q This appears to be a duplicate of what I received
66 late yesterday from the bank.

67 . A I dug out a few, they are all burned-off copies.

68 . Q That is referring to other bank records?

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69 A They are the same ones. When I was hired to right
70 now, the bank records are hardly used, there was hardly any
71 checks written out or anything there, and in the time
72 between there was no real transactions at all.

73 2 Other than the records that you received that
74 appear to be copies I received from the bank, do you have
75 any other records that you brought with you?

76 A I have one other one that is interesting, it came
77 through from Gary Edward from the Corporate Air Service from
78 Cuzillsville, Pennsylvania, that regards the W-2 form more or
79 less, you may look at it saying how much money I made for
80 tax purposes. That came through the mail the other day.
81 This is the first it has been shown to anyone..

82 2 If it is all right--

83 MR. PLEGER: The thing of interest is the total is
84 different than the thrae checks that he has records of being
85 paid in deposits.

86 THE WITNESS: Two thousand-some dollars difference.

87 BY MR. EGGLESTON:

88 2 And an additional check of 2700 or so.

89 A Correct. That is the one that would show on these
90 other records.

91 2 I think what I will do is at the conclusion is make
92 a copy of this. I assume you will need this to complete
93 your tax returns. So I will make a copy of it and return

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94 the original to you.

95 . A Sure, that will be fine.

96 . Q Anything else?

97 . A Yes, while I am going through, it says employment
98 or activity as cargo handler or otherwise in or over
99 Nicaragua [REDACTED] the only book I kept was
100 a small one here and I didn't really fill anything out
101 because in here I have a few phone numbers which I believe
102 everybody has, those are my brother's. When I started out I
103 just said I was hired July 7, '86, just a few small things
104 and a couple times when I did make these specific flights
105 into Nicaragua, but they are not all here.

106 . After a while I thought it was indifferent really
107 to keep track of them. And there are a--

108 . MR. FLEGER: Maybe you could look over those pages.

109 . THE WITNESS: Yes, and I have my passport.

110 . MR. EGGLESTON: If you would hold up for a second,
111 let me look at this and see if I have any questions I want
112 to ask you about before we proceed any further, although I
113 think I will probably pick it back up as I go through the
114 chronology.

115 . BY MR. EGGLESTON:

116 . Q The rest of it is blank?

117 . A Yes. I was questioned by the FBI on these things
118 so I brought it along. That address that you see in there

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119 from Corporate Air Service is one I found in an envelope
120 while in [REDACTED] and copied it down, otherwise
121 previously I never had an address. It was never given to
122 me.

123 . Q Let me do this. I will return to this when I get
124 to the chronology. I will try not to forget about it. Let
125 me look at your passport. As to each of these, what I will
126 do is make copies and return them to you.

127 . A Fine.

128 . Q Let me just take a look at this.

129 . Mr. Hasenfus, okay, is there anything else?

130 . A I was just going through it, but not limited to
131 such materials, contracts--well, the contracts that were
132 signed between Corporate Air Service with Edil Cooyer, there
133 was one copy made just as we are sitting here, there was one
134 copy made, we asked for duplicatas for ourselves, we were
135 promised them but never received them.

136 . It says pay records, we have copies of those sent
137 from the bank there.

138 . Flight plans, logs, journals or notes, flight
139 survival guides, manifests, crew lists, I have none. They
140 [REDACTED] no such things. There were a few as far as manifests or
141 [REDACTED] lists, the only things that were probably there were
142 Buzz Sawyer kept a personal log book of his own, like most
143 pilots will, to keep track of their hours, type of aircraft,

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144 but as far as crew lists, I have names here.
145 . Q These are just names that you have produced from
146 your memory.
147 . A These are the people that were in [REDACTED] that
148 were people that were there.
149 . Q Why don't I ask you to hold off on that until I get
150 to that. Just for the record, what you were pointing to is
151 a yellow pad that reflects things you have written down
152 since you have returned [REDACTED]
153 . A Correct. Flight survival, crew lists, identity
154 cards--every ID card I had was in my wallet at the time of
155 capture and it was taken over and I have not seen them.
156 They were all, I believe everybody has photocopies of them,
157 that the Sandinistas gave out. Invoices received or
158 accepted in delivering shipments--nothing like that.
159 . Customs forms required, nothing there, during
160 flights messages, none. Filings with the United States
161 Government, all the flight plans, I had nothing to do with
162 them.
163 . Q I understand, so you had nothing that is responsive
164 to that part?
165 . A Even to Part B, efforts to assist anti-government
166 forces in Nicaragua with any person directly or through
167 third parties--there is nothing in there at all.
168 . MR. EGGLISTON: The individual who walked into the

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169 room shortly after the deposition started is a man by the
170 name of Tom Smeaton.
171 . THE WITNESS: ^{How} do you do, Tom.
172 . MR. SMEETON: How do you do.
173 . MR. EGGLESTON: Mr. Smeaton is also involved with
174 the House Select Committee.
175 . BY MR. EGGLESTON:
176 . Q Is to point 2, all materials relating to, then I
177 won't read the whole thing because it is a long list,
178 related to various different corporations and individuals.
179 Do you have any documents that are responsive to any of
180 these?
181 . A No, I have no documents at all, just running
182 through the names, there are certain names that appear that
183 I do know.
184 . Q But you have no--
185 . MR. PLEGER: Talking about materials.
186 . MR. EGGLESTON: You have no documents or materials
187 or other information other than testimonial about any of
188 these individuals?
189 . THE WITNESS: No, nothing.
190 . BY MR. EGGLESTON:
191 . Q Is to three, you produced your passport, you have
192 produced an appointment--I guess it is--
193 . A A little ledger of my own there.

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194 . 2 Have you produced as well other address books and
195 other compilations of addresses during the relevant time
196 period?

197 . 1 I have addresses here of the people, they are
198 scribbled down here, of the people from these names of most
199 of them. The rest I don't have. These were all written
200 down. These are names that will come up off this yellow
201 pad.

202 . 2 But again as we get through it I will have these
203 marked, but as to these, these are names and addresses that
204 you have produced subsequent to your return to the United
205 States?

206 . 1 Correct.

207 . 2 These are not documents that you had during the
208 course of the time that you were in Central America?

209 . 1 Correct.

210 . 2 We are now at number four, documents sufficient to
211 identify bank accounts, residential telephone numbers used
212 by respondent. I understand that you have produced to us
213 earlier copies of your bank accounts and I take it that is
214 the only bank account that you maintained during this time
215 period?

216 . 1 Correct.

217 . 2 You did not have other bank accounts?

218 . 1 I have another bank account which Sally and I

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219 accrued it many years ago in [REDACTED]
220 [REDACTED]
221 Q Is it a checking account or savings account?
222 A I think we just have a savings account and a couple
223 bank loans, auto loans and IRAs through them.
224 Q Okay. And was that bank account used at all to
225 receive deposits from--
226 A No, everything that had to do with myself,
227 Corporate Air Service, was all through the [REDACTED] National
228 Bank.
229 Q Five, copies of all materials provided directly or
230 indirectly through counsel. Have you made, five appears to
231 refer to documents which you may have provided to other
232 investigative and law enforcement agencies. Have you made
233 document production to any other government agencies?
234 A No, just verbal when the FBI and Customs--we had a
235 meeting there in Marinette at Mr. Pleger's office.
236 Q Let me ask you about that. I think that concludes
237 the questions I have about the subpoena.
238 Let me ask you first, have you testified formally
239 prior to this?
240 MR. PLEGER: No, he has not.
241 THE WITNESS: No.
242 MR. PLEGER: He had about 7 or 8 hours of
243 interviews by two FBI agents who were working at the behest

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244 of the Special Prosecutor and three men from the Customs
245 Service, but he was not sworn, there was no transcript made,
246 and no testimony taken as such.

247 MR. EGGLESTON: There is a second page and I will
248 get to that in just a second.

249 BY MR. EGGLESTON:

250 Q Was the meeting you had with FBI and Customs, were
251 those separate meetings or was that a joint meeting?

252 A They were separate.

253 MR. PLEGER: Do you want the dates of those
254 meetings? Does it make any difference?

255 MR. EGGLESTON: I would appreciate that actually if
256 you have the dates.

257 MR. PLEGER: The FBI meeting was January 5th, and
258 January 6th with the people from Customs Service.

259 MR. EGGLESTON: Those meetings took place at your
260 office?

261 MR. PLEGER: In Marinette, Wisconsin, that is
262 correct.

263 MR. EGGLESTON: Let me return to subpoena 6, says
264 all materials relating to legal proceedings by Nicaraguan
265 authorities in 1986.

266 MR. PLEGER: In that regard he didn't have
267 materials, but I did. I did secure a copy of the charges
268 and I will give you one. I have a duplicate so if you are

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269 interested in that, there it is. I also secured a photocopy
270 of his handwritten confession, however the photocopy is so
271 poor that most of it you cannot read, but you are welcome to
272 make a copy of it for what it is worth, and maybe get a
273 better copy from Managua if they will share it with you.

274 MR. EGGLESTON: Could I have these marked as
275 Committee Exhibits EH-1 and EH-2.

276 [The following documents were marked as Exhibits EH-
277 1 and EH-2 for identification.]

278

279 ***** COMMITTEE INSERT *****

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280 MR. EGGLESTON: Before we proceed, let me ask. Is
281 this the best copy of what you have of what is now EH-2.

282 MR. FLEGER: They were both poor, one was slightly
283 better than the other, and I didn't have the other to
284 compare it with so I don't know if you have the best one or
285 not. If I find a better one, I will send it along to you.

286 You make reference to statements given. He was
287 interviewed in jail and a transcript was made of an
288 interview on November 7, 1986 with an attorney Laun, who was
289 not his attorney but was permitted to interview him in jail
290 in Managua. I have a copy of that transcript. I don't
291 think it will be of any interest to you, but if you want to
292 take a few minutes to look through and see if you want to
293 have it marked, I am sure that would be fine, also.

294 THE WITNESS: I haven't even had a chance to see
295 that.

296 MR. FLEGER: I gave a copy to Sally some time ago
297 of Leun's statement.

298 MRS. SALLY HASENFUS: I don't recall that.

299 MR. FLEGER: Yes.

300 I think you will find it deals primarily with the
301 question of how they were treated in his presence. The
302 attorney who took the statement was writing the constitution
303 for the Nicaraguan Government, the Sandinista Government,
304 and I think the thrust of it all was, aren't you being

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305 treated well? Aren't they taking good care of you--at least
306 that is what I got out of it.

307 BY MR. EGGLESTON:

308 Q Prior to this interview with Mr. Laun on November
309 7, 1986, had you ever met Mr. Laun before?

310 A No, I had not met him at all. This was at a
311 surprise meeting. Many of these were set up where all of a
312 sudden they would come up to my cell and say someone is here
313 to meet you. That is all. You go down and this was a
314 particular surprise, I was just ordered to answer all his
315 questions the way he wanted them.

316 Q Have you seen Mr. Laun since?

317 A No, I have not.

318 Q And I take it that between November 7 of 1986 and
319 today, this is the first time you have seen this?

320 A This surprises me. I didn't even know of this.

321 MR. EGGLESTON: Let me have this marked as EH-3.

322 [The following document was marked as Exhibit EH-3
323 for identification.]

324

325 ***** COMMITTEE INSERT *****

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326 BY MR. EGGLESTON:

327 Q I am going to ask you about Item 7, about the
328 subpoena as we go through the questions that I will be
329 asking.

330 A Okay.

331 Q So essentially do you have anything else that is
332 responsive to the subpoena?

333 MR. PLEGER: I think that is all. Other than
334 personal notes that I made down there, no, I have nothing
335 that could be called a document of the sort you ask for.

336 BY MR. EGGLESTON:

337 Q It is your understanding that you have now turned
338 over everything that you believe is responsive to the
339 document portion of the subpoena, Mr. Hasenfus?

340 A Correct. Unless you want to get into military
341 proof you know that I was in the Marines or I was in Air
342 America, if you need any documents like that, I have a copy
343 here of my military record and stuff. As far as Air America
344 going through there, it wasn't set up like the military or
345 anything but I have an old book saying that I was a member
346 of Air America, this one is dated 23 February '68, but it
347 went to before that. My employment with Air America was
348 through 1972.

349 Q Okay.

350 Let me have these marked EH-4 and EH-5. Again I

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351 | will copy them and give them back to you.

352 | . [The following documents were marked as Exhibits EH-

353 | 4 and EH-5 for identification:]

354 |

355 | . ***** COMMITTEE INSERT *****

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356 MR. EGGLESTON: EH-4 is a copy of Mr. Hasenfus'
357 military record; and EH-5 is a copy of a document which
358 reflects that he had some affiliation with Air America.

359 THE WITNESS: That is all these do. This is just a
360 medical certificate which you had to have from the FAA.
361 This is just some fund from Air America, I don't think it
362 has any regards to anything. It will have my name on it
363 showing that I was in Air America the same as this,
364 according to the address.

365 I do have ID cards from Air America but I did not
366 bring them with me. What happened, while I was away and
367 Sally was aware the pop. that were in our house sort of took
368 over and they had a little nerve center running a free
369 Hasenfus campaign, so much of this was taken out of the
370 house, pictures and stuff like this that were from Vietnam,
371 and if they are necessary, I can produce them at another
372 time.

373 MR. EGGLESTON: If we decide they are necessary, I
374 will ask your attorney to contact you.

375 MR. PLEGER: That relate to photographs?

376 MR. EGGLESTON: Mr. Hasenfus just indicated that he
377 thought he might have back at the house--

378 THE WITNESS: I have an ID card and another
379 passport or passports that will show I was in the vicinity
380 of Southeast Asia throughout this time period with Air

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381 America, it will show visas, time in and out of Laos, time
382 in, etiquette.

383 MR. EGGLESTON: I think that would be helpful. If
384 you can provide copies of those to the committee I would
385 appreciate it.

386 THE WITNESS: The only other thing I have is a
387 couple school certificates from the Service. I don't know
388 if they would be applicable. They were just from schools,
389 the regular school and airborne school and stuff like that,
390 and a certificate of acceptance into the Marines and my
391 discharge and stuff like that.

392 MR. EGGLESTON: Why don't you leave those with me
393 and I will look at them after the deposition is over and we
394 will decide which of those we need to make copies of.

395 MR. PLEGER: Again for the record, you asked for
396 earlier passports he said he had and what else? Is that it,
397 there was some reference to photographs.

398 THE WITNESS: There are no photographs, but what we
399 are talking about is I have an ID card.

400 MR. PLEGER: All right.

401 THE WITNESS: An ID card from Air America, but I
402 have two expired passports.

403 MR. PLEGER: All right.

404 MR. EGGLESTON: If you would produce those to the
405 committee, I would appreciate it.

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406 . MR. PLEGER: These should be sent to your
407 attention?

408 . MR. EGGLESTON: Yes.

409 . BY MR. EGGLESTON:

410 . Q Mr. Hasenfus, now what I would like to do is just
411 ask you a series of questions, substantially in
412 chronological fashion, starting as I always start with
413 background and up through essentially your return to the
414 United States in late 1986.

415 . As we do this if at any time you don't understand
416 the question or I have phrased it poorly or you need more
417 information before you can answer, just let me know and I
418 will rephrase it or whatever in order to help you out.

419 . Can you tell us where were you born.

420 . A Born in Marinette, Wisconsin.

421 . Q And what is your date of birth?

422 . A January 22, 1941.

423 . Q And where did you grow up?

424 . A I grew up in Marinette County.

425 . Q How much education have you had?

426 . A Twelfth grade.

427 . Q And I take it there comes a time when you enter
428 into the military, the Marines?

429 . A Correct.

430 . Q What year was that?

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431 . A It was 1959.

432 . Q And between the time that you--is there a period of

433 time between the time you graduated from high school or

434 twelfth grade and time you entered into the Marines?

435 . A No, it was right after graduation. Actually I

436 joined the Marines in active reserve one year before I

437 graduated.

438 . Q So essentially you graduated from high schools and

439 immediately entered the Marines.

440 . A Correct.

441 . Q When were you discharged from the Marines?

442 . A 1965.

443 . Q During the course of time you were in the Marines,

444 where were you stationed?

445 . A I was stationed at Camp Pendleton, Okinawa, Camp

446 Pendleton, discharged.

447 . Q How much of the five years that you were in the

448 Marines, how much of that time did you spend at Camp

449 Pendleton?

450 . A The majority of the time. It was probably 13 or 14

451 months in overseas duty.

452 . Q What rank did you achieve by the time that you had

453 it?

454 . A E-4.

455 . Q Is that--is there another word for E-4?

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456 . A Corporal. It used to be Sergeant but it changed
457 over to Corporal.

458 . Q Did you have a particular area of training or
459 expertise while you were in the Marines?

460 . A Air delivery, I was a 7141, airborne delivery, was
461 the last. I studied for this school in the Marines.

462 . Q So could you just describe what that is? What does
463 it mean to be an expert in air delivery?

464 . A This was an airborne qualified and what would do,
465 we were aerial resupply for all equipment, any combat for
466 small and heavy cargo.

467 . Q I take it you were not a pilot?

468 . A No, I was not a pilot.

469 . Q And what--during the period of time you were in
470 Okinawa what were your duties when you were there?

471 . A I was on 311 which is field infantry and I was in
472 communications at the time.

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473 DCMN STEVENS
474 . 2 Let me just ask you some questions. I have skipped
475 over them.
476 . Now, I take it you are married.
477 . 1 Yes.
478 . 2 And your wife's name?
479 . 1 Sally Hasenfus.
480 . 2 Do you have any children?
481 . 1 Three.
482 . 2 Could you give us their names.
483 . 1 [REDACTED]
484 [REDACTED]
485 . 2 Can you give us your current address?
486 . 1 [REDACTED]
487 . 2 Thank you.
488 . After you left the Marine Corps, I take it you
489 became employed by Air America?
490 . 1 Yes. I left the Marines in 1965 and I returned
491 home and my brother and I ran a parachute school. It is a
492 jump center, but we trained, rigged, sales and service of
493 all parachuting equipment and sky diving support.
494 . 2 What is your brother's name?
495 . 1 Bill Hasenfus.
496 . 2 Was that back in--
497 . 1 That was in Omro, Wisconsin.

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498 . Q Could you spell that?

499 . A G-m-r-o.

500 . Q And how long were you in that occupation? How long

501 did you run the parachute school?

502 . A We were together maybe about a year there, and

503 there just wasn't enough to supply both of us there, but

504 then I--at this time--yes, I inquired about Air America.

505 . Q Okay. You inquired about Air America.

506 . A Yes.

507 . Q How had you heard about Air America?

508 . A When I was in the Marines there was a few people,

509 or single person that was with Air America from my MOS, and

510 I heard about it, and talked about it, but after I got out

511 of the Marines, things weren't going that good, so I said,

512 well, I got to find this address, I am going to check it

513 out.

514 I was just a young kid then. So I went through Job

515 Service, of all places, and within a couple days they gave

516 me an address and everything so I sent in my resume with all

517 my materials and that, and I was hired from then.

518 . Q Let me ask you, I want to sort of phrase a time

519 question here. The people that you met and were involved

520 with in the military during the time that you were with the

521 Marines, have you maintained contact with any of those

522 people?

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523 . A No, I have not.

524 . Q So none of the people you worked with during the
525 time period July of 1986 through October of 1986, they were
526 not people whom you had met or knew in the Marines?

527 . A No.

528 . Q When is it that you started to work for Air
529 America?

530 . A It was in October of 1966.

531 . Q And how long had you remained with Air America?

532 . A Until 1972.

533 . Q And where were you stationed or where did you work
534 during that period of time?

535 . A Southeast Asia, the main parts being Vientiane,
536 Laos, and Saigon. Those are the two main.

537 . Q Maybe I will just take a chronological order. How
538 long were you in Laos and how long were you in Saigon?

539 . A I was probably four-and-a-half years in Saigon and
540 the rest of the time was in Laos.

541 . Q Did you begin in Saigon?

542 . A I started in Laos, that was the main station, and
543 from there I went to Saigon, and then back to Laos, back to
544 Saigon, and back to Laos.

545 . Q During the time you worked for Air America, did you
546 work anyplace other than in Southeast Asia?

547 . A No. That was it. Strictly Southeast Asia.

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548 . 2 Did you have substantially the same job during the
549 approximately six years or so that you were with Air
550 America?

551 . 1 Correct. This was as an air freight specialist.

552 . 2 What did that mean in the context of your job; what
553 is it that you were doing?

554 . 1 It was your responsibility to load the aircraft to
555 its proper aircraft limitations, your ACL, make sure the
556 right cargo was on and prepared for air delivery, etiquette,
557 everything to do, whether air delivery load or point-to-
558 point load.

559 . 2 If you will pardon me, some of these expressions
560 are not that familiar to me. Point-to-point means, I take
561 it--

562 . 1 A landing point. In other words, if we could take
563 off from Vientiane and went to Long Thinh and landed, that
564 would be point-to-point. In other words, your landing and
565 returning.

566 Air delivery is you take off from one point and return to
567 the same point after delivering the cargo.

568 . 2 In that situation I take it you deliver it by the
569 plane as it was flying, with parachutes.

570 . 1 Yes, it is called air delivery and it was all by
571 parachute; sometimes free-falling.

572 . 2 Let me ask you the same kind of question I just

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573 asked you about the military. Were there people that you
574 met and got to know during the period of time that you were
575 with Air America that you later worked with during the time
576 July 1986 through October 1986?

577 . A Yes.

578 . Q Who were those?

579 . A They were [REDACTED] Bill Cooper--

580 . Q Mr. Hasenfus, if you would hold up for a second on
581 that. Could you repeat the names again?

582 . A [REDACTED]

583 William J. Cooper.
584 [REDACTED]

585 1.

586 Those were all individuals that we worked together with
587 Air America in Southeast Asia prior.

588 . Q After you left Air America, did you maintain
589 contact with any of these individuals?

590 . A Not really. William Cooper dropped a line, but it
591 was very seldom. Every once in a while, you would receive
592 calls in the middle of the night, different times, but there
593 was no actual communications to do anything. It was just
594 [REDACTED] camaraderie, old friends just saying hi.

595 . Q I will get back as we get further on--I will get
596 back into who these people are and what their duties were
597 and what they did in the time you were in Central America.

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598 But for now let me ask you, were you responsible, were you
599 in charge of loading the airplanes when you were with Air
600 America?

601 Were you the supervisor or whatever?

602 A When we were at the out stations we would load it
603 physically, whatever means were at hand, whatever was out
604 there, forklifts, whatever the customer provided, but we
605 would put it in the aircraft, tie it down, secure it in its
606 proper place for whatever, maybe land or air delivery
607 procedures.

608 In Vientiane, itself, or a lot of times Udon, or Saigon,
609 itself, there was traffic facilities as we call it, Air
610 America called it traffic facilities, they would have air
611 freight dispatchers that loaded the aircraft, before you
612 took off you would just double check and supervise that it
613 was correct and you made out a weight and balance, or
614 aircraft log would be brought up to date.

615 Q Did you accompany the flights on their deliveries?

616 A Yes, I was flight crew.

617 Q And what--when you were with Air America, what kind
618 of material were you transporting?

619 A We transferred all aid being wheat, bulgar, rice,
620 agricultural tools, and always small arms and ammunition to
621 support all the forces that were working with the United
622 States.

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623 . Q Do you know who owned Air America during the period
624 of time that you worked for them?

625 . A I do not know the main corporation, no. But there
626 was a few companies that were involved.

627 . Q Do you know the names of any of those companies?

628 . A Southern Air Transport was one, Civil Air
629 Transport, which was CIT, and Air Asia, which was a huge
630 maintenance faculty that the government had also contracted
631 with for their aircraft.

632 . Q I am not sure I quite understood. Maybe you didn't
633 understand me. I asked you if you know who owned Air
634 America. You responded with Southern Air Transport and
635 various others.

636 . A No, no, there was a corporation that owned all these
637 that I mentioned.

638 . Q Okay. There is a corporation that owned--

639 . A Southern Air Transport, Civil Air Transport, and
640 Air Asia. What the main heading was, I don't know.

641 . Q Just so I am clear, you think that one corporation
642 owned all of these air transports?

643 . A Yes.

644 . Q Do you know the name of that corporation?

645 . A No, I don't.

646 . Q Did you once know it and have now forgotten it or
647 did you never know what it was?

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648 . A I may have once known and forgotten. That could be
649 very possible.

650 . Q To your knowledge, was Air America--let me ask you
651 that way, who were the customers for Air America?

652 . A The customers could be all the way from embassy
653 personnel, to what we call other people in aid programs such
654 as USAID, USOM, and some of these were even Peace Corps
655 individuals.

656 . Q The customers for whom you transported arms, what
657 customers were they?

658 . A They were mainly--they would come under the heading
659 of CIA or embassy.

660 . Q Do you have any knowledge of whether or not the CIA
661 owned Air America?

662 . A This was brought up all the time to the best of my
663 knowledge, though I never seen any of my checks or anything,
664 they were all wire transfers and stuff. I never had any CIA
665 affiliation or ID cards or none of us did.

666 It was all strictly Air America, Air America only.

667 . Q So you have no personal knowledge about whether or
668 not the CIA owned Air America?

669 . A No.

670 . Q What kind of planes did you fly in when you were
671 with Air America? Were they similar to the planes that you
672 flew in Central America?

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673 . . A Yes, very much so. We had C-123s. They were the B
674 models converted into K models. We had Caribous, your DHC-
675 4s, we had C-47s, C-46s, special project we had C-130s. We
676 had also twin Otters and those were our main cargo aircraft.

677 . . Q Let me ask you, just leaping ahead out of
678 chronology slightly, what kinds of planes were used during
679 the time you were in Central America?

680 . . A Caribous, DHC-4 and C-123K.

681 . . Q You indicated that you were paid during the period
682 of time with Air America by wire transfer. Could you
683 describe how that worked?

684 . . A When we were hired by Air America they just asked
685 whether we would want our pay records kept or who to mail
686 to. I gave them my bank which was the [REDACTED]
687 Bank at that time in Marinette, Wisconsin, and everything
688 was just wire transferred there and I would just get a
689 statement from my bank once a month saying how much money
690 was put into it.

691 . . Q Where did you get, if you pardon the colloquial
692 expression, walking around money? I take it you were in
693 Southeast Asia and your bank account was in Wisconsin.

694 . . A While you were in Southeast Asia through your own
695 checks or credit cards.

696 . . Q Okay. By your own checks, you mean that you would
697 write a check that then would be cashed somewhere?

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698 . . . A You could cash a check through the embassy or
699 American Association there or at several other banks
700 locally, you know, they would take American checks, yes.

701 . . . Q And how much were you paid when you were with Air
702 America?

703 . . . A I think I started out with a base pay of something
704 like just about \$700 a month then it worked on what you call
705 overtime, anything over 70 hours flown you got \$10 an hour
706 for and then you got what they call a project pay, any time
707 you were flying in a combat zone, it was so much more, I
708 forget the exact amount, than if you were air delivering
709 into combat, others you would get like \$50 a target.

710 . . . Q Let me ask, you gave us a list earlier and I would
711 like to return to the list although I will ask you about
712 what their roles were in Central America, but you gave us a
713 list of individuals with whom you had worked when you were
714 with Air America.

715 I would like to go through the list with you and ask you
716 what their jobs were when they were with Air America and
717 what your relationship was to each of them. The first name
718 was [REDACTED]

719 . . . A [REDACTED] were both air
720 flight specialists.

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722 . Q Does that mean that you on occasion flew with them?

723 . A Now and then, yes, well, like in C-13s, we would fly

724 two crew members in the back and.

725 . Q And were they with you during the entire time that

726 you were with Air America in Southeast Asia, or a

727 substantial part of the time?

728 . A Yes.

729 . Q Probably not the entire time?

730 . A No, it was on and off, different times.

731 . Q And Mr. Cooper, what was his position with Air

732 America?

733 . A Mr. Cooper was a pilot.

734 . Q Did you on occasion fly with him?

735 . A Yes, all the other names that I gave you were all

736 pilots, and I flew with them on many occasions.

737 . Q So, [REDACTED]

738 were all pilots?

739 . A Correct.

740 . Q Let me just take them one at a time so it is easier.

741 Mr. Cooper, was he with Air America during a substantial

742 portion of the time that you were with Air America?

743 . A Yes, he was in full-time, probably even longer than

744 I was.

745 . Q And [REDACTED]

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746 . A [REDACTED] I didn't fly with much until the latter part
 747 when he was transferred to Laos, and he flew C-46s in Saigon
 748 and then he was transferred to Laos, where he was checked
 749 out in C-13-Ks, and that was his primary aircraft, and I
 750 flew with him on and off there.

751 . Q [REDACTED]
 752 . A He flew Caribous and mainly I met him in Vientiane,
 753 Laos.

754 . Q Caribou is one of the kinds of planes that you had
 755 in Central America?

756 . A Yes.

757 . Q Is that also referred to as a C-7?

758 . A C-7A is the Air Force nomenclature for it.

759 . Q The Air Force would call it a C-7A?

760 . A Yes.

761 . Q And the commercial name is Caribou?

762 . A Or PAC-U.

763 . Q [REDACTED]
 764 . A [REDACTED] really never flew with him hardly any.
 765 He was in a small aircraft over there that didn't really
 766 carry any cargo.

767 . Q Did you--I think I asked you this once before, but
 768 let me ask you again, are there any people on this list whom
 769 you maintain closer contact with than others?

770 . A I would say William Cooper, as far as the pilots go.

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771 would be the closest one that I kept contact with.
772 [REDACTED] and [REDACTED] very much so,
773 because we were all air freight specialists and therefore,
774 our duties were all the same, and we would run into each
775 other more frequently.
776 . Q Okay.
777 . There comes a time when you leave Air America, do
778 you remember what year that was, 1972?
779 . A To the best of my knowledge, it was 1972. I would
780 have to look at my passport to get the correct data on it,
781 really.
782 . Q After you left, what did you do?
783 . A When I left, I came home and worked with my brother
784 again at this drop center.
785 . Q How long did you work with him?
786 . A Oh, it had to be just about a year, I believe.
787 . Q What I would like to do now is just take you through
788 your--fairly quickly--through your employment from the time
789 you left Air America up until, say, July 1986, if you could
790 just take me through.
791 . A After leaving Air America, I came back with my
792 brother, worked approximately a year there, and then from
793 there, I started working in heavy construction. From there,
794 I worked right straight through, that was my main
795 occupation, journeyman structural iron worker with Union

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796 Local 8 out of Milwaukee, Wisconsin, which goes all the way
797 up to Northern Wisconsin.
798 . That would take me right up to this time, where
799 Cooper was starting to call me.
800 . Q There comes a time during this period that you get
801 married to Sally. What year was that?
802 . A That was 1973, yes.
803 . Q Shortly then after, you returned?
804 . A Yes. Correct.
805 . Q From Air America.
806 . A Yes.
807 . MR. PLEGER: Did I miss something here?
808 . MRS. SALLY HASENFUS: 1974, Gene.
809 . MR. PLEGER: That will cost you.
810 . BY MR. EGGLESTON:
811 . Q During the period of time from 19--when you left Air
812 America--72 or 1973, up to July 1986, did you ever work with
813 any of the individuals whose names you gave us, [REDACTED]
814 [REDACTED] Cooper, [REDACTED]
815 . A Can you repeat the years again?
816 . Q From the time you left Air America, 1973--
817 . A No, I did not work with any of them or see them.
818 . Q I think that during that period of time, you
819 probably didn't even see any of them?
820 . A I didn't see any of them, no.

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821 . Q You did not see any of them.

822 . A No.

823 . Q And during this period of time, the sort of 13-year

824 period of time, where were you living?

825 . A I was living in Wisconsin, main address I lived at

826 was Omro, Wisconsin, for approximately a year; then we moved

827 to Marinette, Wisconsin, where we stayed all through this.

828 . Q Okay. Prior to July 1986--let me fix a date. What

829 month was it or what day, if you recall, did you arrive down

830 in Central America?

831 . A It was--it is in that book, I believe it was the 9th.

832 . Q Of July?

833 . A Of July.

834 . Q Prior to that time, had you ever been to Central

835 America?

836 . A No, I had not. Except in the Marines at the time

837 Guantanamo broke out, we went through the Panama Canal.

838 . Q You had never spent any time in Central America?

839 . A Not as a civilian or anything, no.

840 . Q There comes a time, as I understand it, when you

841 received information or a telephone call from Mr. Cooper; is

842 that correct?

843 . A Correct.

844 . Q What month was that?

845 . A These were in June I started getting phone calls

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846 from Mr. Cooper.
847 . 2 June 1986?
848 . 1 Correct.
849 . 2 And do you recall, do you know where Mr. Cooper was
850 calling you from during the first such conversation?
851 . 1 Some of these calls, I believe, came from [REDACTED]
852 [REDACTED] other phone calls came from in the States.
853 . 2 Do you remember what day the first telephone call
854 came?
855 . 1 No, I did not mark down any specific dates that he
856 called.
857 . 2 Do you have a recollection whether it was early
858 June, late June, mid-June?
859 . 1 Probably started off in early June, some of his
860 first calls, yes.
861 . 2 Between the time that he first called you, and the
862 time when I take it you agreed that you would take on this
863 assignment, how many times did you speak with him?
864 . 1 Probably approximately four or five times.
865 . 2 Were they all telephone conversations?
866 . 1 Correct.
867 . 2 Did you know where he was calling from?
868 . 1 No. He never really told me.
869 . 2 I take it there were times when you just assumed
870 from some--

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871 . . A I am saying that right now, just listening to
872 telephone conversations when I called home from is [REDACTED]
873 [REDACTED] and talking with William after a while, that he was
874 calling [REDACTED] sometimes, maybe from Florida other
875 times when he was traveling back and forth between Florida,
876 or the United States and [REDACTED]
877 . . 2 Let me just direct your attention to the first
878 conversation. Do you have much of a recollection as you sit
879 here today about what the first conversation was that you
880 had with him?
881 . . A One of his first calls, he was just calling to see
882 more or less how I was, what was happening, and there would
883 be a possible job coming up in Central America. There was
884 nothing affirmative on it.
885 . . 2 Do you remember how long the first call was?
886 . . A It was just a short call. It wasn't very long.
887 Maybe a matter of four or five minutes.
888 . . 2 Over the course of the calls, I take it you probably
889 don't have a recollection of each individual phone call and
890 what was said during each call; is that correct?
891 . . A Correct.
892 . . 2 Can you maybe, summarizing them together, tell us
893 what it is that he said to you about what the job will be,
894 who you will be working for, various things like that?
895 . . A He didn't say that much over the phone, because he

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896 didn't know any of them, especially out of [REDACTED] or
897 the States, he just said he would talk with us later on when
898 we met in person. But he was definitely talking about
899 working Southeast Asia, it would be the same exact kind of
900 job we did in Air America, etiquette like this here.
901 . Q Did he tell you who your employer would be?
902 . A No, he didn't.

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903 RPTS BRADFIELD

904 DCMN DOMOCK

905 10:30 a.m.

906 . Q Did he tell you the purpose, did he tell you
907 anything about what the mission--pardon the use of the
908 word--the missions would be?

909 . A Nothing over the telephone, no.

910 . Q Okay, so is it fair to summarize that during the
911 course of the telephone calls, he indicated to you that
912 there would be a job available? It would be similar to what
913 the job would be in Southeast Asia?

914 . A His exact words were just about it will be the same
915 as we were doing over in Southeast Asia, different
916 geographic location, different time period.

917 . Q Did he tell you how long the job would last?

918 . A No, he didn't really a time on it. This could last
919 a couple of weeks or a few years.

920 . Q Did he tell you, over the telephone now, how much
921 you would get paid?

922 . A Yes, that he did.

923 . Q Do you recall how much he said you would get paid?

924 . A It was this, 3,000 a month.

925 . Q During the course of the telephone conversations,
926 did he tell you anything--as I understand it, you got a
927 slightly additional amount if you crossed into Nicaragua?

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928 . A This came later on through conversations that we
929 had. It varied quite a bit.

930 . 2 During that initial conversation, he did not say
931 anything to you about additional pay?

932 . A Correct.

933 . 2 Did he tell you you would be paid the same way you
934 would be paid through the wire transfers, with Air America?

935 . A Yes.

936 . 2 Now, I am looking at your book here. Your book
937 indicates that you left Green Bay for Miami on July 7, 1986?

938 . A Correct.

939 . 2 How much prior to that had you told Cooper that you
940 were willing to sign on?

941 . A It was right around July 1st or 2nd, right up in
942 there when we started making definite phone calls. Well,
943 okay, if this is going to happen, we will wait until after
944 the 4th of July, so we could be with our families.

945 . 2 July 7th was a Monday, is that correct?

946 . A I would have to look at a calendar.

947 . 2 Did you have a number where you could call him?

948 . A Yes, he gave me a number which was Southern Air
949 Transport.

950 . 2 In Miami?

951 . A Correct.

952 . 2 Did you call him at the number?

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953 . A No.

954 . Q Did you know it was the number for Southern Air
955 Transport?

956 . A I didn't really, but what happened there, Bill
957 called--what he wanted to--he called back later on during this
958 time from the 1st of July until the 7th of July. He called
959 back several times just making sure that he would have my
960 flight number, time of arrival, so he could meet me at the
961 airport, little things he would forget.

962 . Q Okay, and so during that period of time, he told you
963 he might call you, that you could call him at a particular
964 number?

965 . A Yes, he gave me Langton's number.

966 . Q L-a-n-g-t-o-n?

967 . A Yes, L-a-n-g-t-o-n.

968 . Yes, in case there was a mix-up, or we didn't meet
969 at the airport or go to that Holiday Inn that is close to
970 Miami Airport there.

971 . Q At that time, did you know Langton's position?

972 . A He told me he was President of Southern Air
973 Transport.

974 . Q Cooper had given you Langton's phone number?

975 . A Correct.

976 . Q Does that appear in this book?

977 . A No, it doesn't. When William was calling me, I

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978 grabbed a piece of paper, an envelope, started jotting
 979 things down; and all this stuff was thrown in my briefcase;
 980 and I had it with me.

981 . All numbers and names and things like this here,
 982 tickets, it was left in my briefcase.

983 . Q When you said you had it with you, what do you mean?
 984 . A I carried it with me. I was going to transfer a lot
 985 of these, some I did, transferred into here, addresses, just
 986 phone number. But I was putting it off always to another
 987 day to get a correct address book and all of that, but I
 988 never did.

989 . What happened with all these addresses, tickets,
 990 after I was shot down, when I went to all my rooms and
 991 recruited all my material, they went through my briefcase
 992 and anything that had to do with Southern Air Transport
 993 tickets, everything was confiscated.

994 . Q Who went to your room after you were shot down?
 995 . A [REDACTED] That same day I was
 996 shot down, he came into [REDACTED] from the United States.

997 . Q Okay, you mean people who were working with you,
 998 your co-workers?

999 . A Yes, well, [REDACTED] told me, I talked to him, and he said
 1000 that stuff was in my briefcase when he turned it over.

1001 . Q Did he tell you who he turned it over to?

1002 . A [REDACTED] or Southern Air Transport.

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1003 . 2 [REDACTED]
1004 . 1 Correct.
1005 . 2 I believe--I stand to be corrected on that.
1006 . 2 Could we have this marked EH-6?
1007 . [The following documents were marked as Exhibit EH-6
1008 for identification:]
1009
1010 COMMITTEE
***** INSERT 2-1 *****

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1011 . . . BY MR. EGGLESTON:

1012 . Q How did you get from Wisconsin down to Miami?

1013 . A Commercial air.

1014 . Q Who paid for the tickets?

1015 . A I paid for my own tickets.

1016 . Q Were you ever reimbursed for that?

1017 . A No, we would have to pay our own transportation to

1018 Miami and back to your own address all the time. That was a

1019 part of our contract.

1020 . Q Did Cooper actually meet you at the airport?

1021 . A Yes, he did.

1022 . Q Was anyone with him?

1023 . A He was by himself when he met me.

1024 . Q Did you--where did he take you?

1025 . A We went to one of the refreshment lounges in the

1026 airport itself, because we were waiting for [REDACTED] to

1027 come in at the same time, and also there was another

1028 individual by the name of [REDACTED] another pilot. We were

1029 waiting for them to come in also.

1030 . Q Were they newly recruited?

1031 . A No, just freshly recruited.

1032 . Q Did you know [REDACTED] prior to this time?

1033 . A Yes, [REDACTED] I knew in Vientiane, Laos, he was a

1034 co-pilot on Caribous. [REDACTED] he came to work for

1035 Corporate Air Services, there for probably a week, never

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1036 really flew anything, and he went back home and terminated
1037 himself.

1038 . 2 He was with you down in [REDACTED] for a week?
1039 . 1 A Couple of weeks, yes, about that. [REDACTED]
1040 came together, we were hired together.

1041 . 2 Did [REDACTED] stay on until October?
1042 . 1 Yes, he was one of the last people there, yes.

1043 . 2 During the time you were in--how long did you remain
1044 in Miami before you went down to [REDACTED]
1045 . 1 Two days, I believe I got in the 7th, late in the
1046 afternoon, and we left [REDACTED] that flight around 3:20 from
1047 Miami.

1048 . 2 How many people went down together to [REDACTED]
1049 who ended up working with you?

1050 . 1 [REDACTED] and myself only, [REDACTED]
1051 . 2 [REDACTED] did not go down with you?
1052 . 1 No.

1053 . 2 Did Cooper go down with you?
1054 . 1 No, just [REDACTED] and myself, yes.

1055 . 2 During the time you were in Miami, did you meet any
1056 representatives of Corporate Air Services?

1057 . 1 No, all we did is, we stopped off at some restaurant
1058 [REDACTED] we were talking, as we are here around the table, and
1059 Bill was bringing out this contract from Corporate Air
1060 Services, and he said, this is what--you are working as an

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1061 independent individual.

1062 All this is is front paperwork, to more or less
1063 conceal you, what you are doing, as we are talking, we were
1064 talking how we are going to be working on this job, because
1065 [REDACTED] and I were quite interested.

1066 Over the phone, we said what is our job exactly
1067 going to be? We are working more or less like we were
1068 before, for the CIA and the government. We wanted to make
1069 that point quite clear between ourselves, so we knew where
1070 we stood.

1071 Q So when he said it was front, did you understand--who
1072 did you understand him to mean front for?

1073 A In other words, it was just a name on a piece of
1074 paper.

1075 Q Right, okay, did you--so you had a conversation with
1076 Cooper or conversations with Cooper where he told you you
1077 were working front for the CIA or for the government?

1078 A Yes.

1079 Q Did he say CIA or government, or did he say both?

1080 A He didn't, all he said was more or less government
1081 work, and as before, he didn't come out and pinpoint anyone
1082 directly.

1083 Q Okay, did he tell you--what if anything did he tell
1084 you about Corporate Air Services?

1085 A Corporate Air Services is a contract. We put out

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1086 the sign as this front name. I am saying front name,
1087 because that is the way Dan and I accepted it. It was
1088 something on paper, a contract saying you are working for
1089 pay purposes, etiquette, out of Pennsylvania.
1090 . I wanted a copy of this, which I did not receive,
1091 and there was another copy signed, we signed with Air
1092 America and most government jobs where you are going to
1093 remain silent about this.
1094 . Q Okay, did you meet an individual by the name of
1095 Edward De ^{Carey} ~~De~~?
1096 . A No, I did not.
1097 . Q Have you ever heard that name?
1098 . A The name I heard come up because of all the
1099 conversations.
1100 . Q Okay, so you have heard the name, but you never met
1101 the person.
1102 . A Correct.
1103 . Q So he was never down, to your knowledge, in [REDACTED]
1104 [REDACTED]
1105 . A I never met the person.
1106 . Q When did you first hear that name, after your
1107 release?
1108 . A It was mainly after my release, yes.
1109 . MR. PLEGER: From things that were in the
1110 newspapers.

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1111 . BY MR. EGGLESTON:

1112 . Q During the time you were down in [REDACTED] that

1113 was not a familiar name to you?

1114 . A No, it was not.

1115 . Q Prior to the time you actually arrived down in [REDACTED]

1116 [REDACTED] did Cooper give you any additional information

1117 about what exactly it was that you would be doing?

1118 . A When we talked in Miami, he said yes, we will be

1119 working out of the air base [REDACTED]

1120 [REDACTED] and flying into Nicaragua.

1121 . Q Did he tell you what the loads were going to be?

1122 . A Yes, he said there was going to be small arms and

1123 ammunitions, a lot of these medical supplies, uniforms.

1124 . Q Did he tell you that you would fly into Nicaragua?

1125 . A He said there is a very strong possibility we would

1126 be going in and out of Nicaragua many times.

1127 . Q Did he tell you about the extra pay for going into

1128 Nicaragua, or was that after you arrived?

1129 . A There here was told then.

1130 . Q You were told about the extra pay during these

1131 conversations?

1132 . A Correct.

1133 . Q During the time you were in Miami, where did you

1134 stay?

1135 . A We stayed at the Holiday Inn, the closest one to the

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1136 airport, if there is two of them? I think there is, maybe.
1137 . 2 Your notebook which has now been marked EH-6, seems
1138 to indicate that you left for [REDACTED] or arrived in [REDACTED]
1139 [REDACTED] on July 9 of 1986?
1140 . A Correct, that is the same date we left.
1141 . 2 How did you get down to [REDACTED] what airline?
1142 . A [REDACTED]
1143 . 2 Is that an [REDACTED] airline?
1144 . A Yes.
1145 . 2 Who paid for the hotel while you were in Miami?
1146 . A Cooper signed for it all.
1147 . 2 Do you know who was paying Cooper?
1148 . A I believe, this was all Southern Air Transport
1149 because they accrued all our tickets, right through Southern
1150 Air Transport Ticket Agency.
1151 . 2 When you got your ticket to fly down to [REDACTED]
1152 you obtained the tickets from Southern Air Transport?
1153 . A Bettie Bridge takes care of all the ticketing for
1154 Southern Air Transport. We would get a round-trip ticket
1155 from Miami to [REDACTED] round-trip.
1156 . 2 They were purchased by Southern Air Transport?
1157 . A Correct, it was right on there who bought it.
1158 . 2 Do you recall anything else during your
1159 conversations with Cooper prior to the time you went to [REDACTED]
1160 [REDACTED] Did he tell you, as best you recall right now,

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1161 did he tell you anything else about what you would be doing,
1162 who you were working for, anything like that?
1163 . A No, basically what I already outlined.
1164 . Q This is probably a good time to take a short break,
1165 if you want to get a drink of water. I suggest that we not
1166 leave the room.
1167 . [Recess.]
1168 . BY MR. EGGLESTON:
1169 . Q I just started to ask you about your arrival in [REDACTED]
1170 [REDACTED] As I indicated earlier from EH-6, it appears you
1171 arrived on July 9, 1986, and it was just you and [REDACTED]
1172 . A Yes, we arrived there, I forget what time we got in.
1173 Excuse me, but we were met by [REDACTED]
1174 an officer, an enlisted individual approached us while we
1175 were going through Customs, and he took our passports, and
1176 they ran them right through and had us jobbed in, and they
1177 took our luggage.
1178 . They sort of surprised us a little bit.
1179 . Q Did you know their names?
1180 . A No, I did not know their names. They introduced
1181 themselves briefly, and that day we saw them was the only
1182 time I have ever run into them. [REDACTED]
1183 [REDACTED]
1184 [REDACTED]
1185 . Q Where did you fly into?

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1186 . A Into [REDACTED]
1187 . Q Do you know how to spell it?
1188 . A No, my spelling would probably be correct or wrong
1189 on it. [REDACTED]
1190 [REDACTED]
1191 [REDACTED]
1192 [REDACTED]
1193 [REDACTED]
1194 . [REDACTED] was turned into their military base then,
1195 but that is where we landed, and we were met by [REDACTED]
1196 [REDACTED] which had a couple small
1197 military aircraft, flew us from [REDACTED] right into [REDACTED]
1198 [REDACTED] met by [REDACTED] with a company vehicle which
1199 drove us into [REDACTED] a House 3, and
1200 that is where we spent our first night.
1201 . Q Let me break a little of that up. You were met by
1202 these officials when you arrived. Did you fly in [REDACTED]
1203 [REDACTED] military airplane?
1204 . A It was a small, forward aircraft control, a small
1205 spotting aircraft, there was two aircraft actually. They
1206 wouldn't carry all three of us, and our luggage.
1207 . Q Those were military aircraft?
1208 . A Yes, they were.
1209 [REDACTED]
1210 [REDACTED]

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Q All right, you indicated before you [redacted] from your days in Southeast Asia?

A Correct.

Q Did you know [redacted] was going to be meeting with you? (P)

A We were told someone would be meeting us. When [redacted] came out, we recognized him, very much so.

Q Did you know [redacted] was down in [redacted]

A Yes, I knew.

Q When you call it House Number 3, what does that mean?

A Well, before [redacted] and I got there, when this started out several months before, the first residents they accrued was called House Number 1. Then they had House Number 2, and they needed one larger and more centralized, and they had House Number 3, they were renting.

Q These were locations where the people who worked on the operation lived?

A Yes, stayed.

Q How far were they from [redacted]

A It was a few miles, all the way across town, a 20-

POINTED?

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1236 some-minute ride.
1237 . Q So you spent the first night in House Number 3?
1238 . A Correct.
1239 . Q How many people were in House Number 3?
1240 . A It was approximately--only about three people when we
1241 got in there.

1242
1243
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1253 . Q Was there a portion of this where your operation was
1254 working, or was it one corner?
1255 . A Centralized, right in the center of the taxiways.
1256 There was a place where a warehouse was built, actually two
1257 warehouses. One was a metal warehouse that was built, and
1258 it was there prior to me getting there. It was full of
1259 these supplies, and there was another addition put on to it
1260 which belonged to Corporate Air Services which was a

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1261 warehouse for all aircraft supplies and personal effects
1262 that you needed for flying.

1263 . Q You mean personal supplies or the supplies that you
1264 would be transporting?

1265 . A One was a block warehouse. The other one was a
1266 metal one. The metal was your contra, their warehouse, air
1267 deliveries, supplies, small arms, ammunition, uniforms and
1268 whatever medical supplies that were available. Anything it
1269 took to support this group.

1270 . Q The contras?

1271 . A Correct.

1272 . Q There was a different location?

1273 . A Adjoining right to it, it was attached right to it,
1274 a block building which was finished while I was there, a
1275 warehouse for maintenance, a little office to put our
1276 personal effects for flying.

1277 . This was located right on [REDACTED]

1278 . Q In the military section?

1279 . A Correct.

1280 . Q When you arrived, how many airplanes did Corporate
1281 Air Services have?

1282 . A When I arrived there, there was only three aircraft
1283 ~~it~~ was there. One was a ^{Maula} ~~Maul~~ which is a small little
1284 four-place aircraft made in the States. There was two
1285 Caribous.

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1286 . 2 Did the ^{Miami} ~~nauc~~ I guess it is not suitable for
1287 transportation?
1288 . A Not made for cargo or anything. We use it for
1289 planing personnel back and forth.
1290 . 2 The two Caribous?
1291 . A Correct.
1292 . 2 Any C-123s at that time?
1293 . A No, the C-123s that I see. When [REDACTED] and I
1294 were going back to Miami, [REDACTED] and I were taken out to
1295 Southern Air Transport; and William wanted to show us the C-
1296 123 that was there and that was actually a Charlie-825.
1297 . 2 That was the registration?
1298 . A No, a number given by Corporate Air Services. For
1299 that one, we had five aircraft down, so it went from Charlie-
1300 821 all the way down to Charlie-825.

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1301 DCMN STEVENS

1302 . Q Can you match up for us the number with the

1303 aircraft?

1304 . A Yes, I can. The Maulk being a small, fabric-

1305 covered aircraft, Charlie 821 and the two Caribous were

1306 Charlie 822, and Charlie 823. The two 123s were Charlie 824

1307 and Charlie 825. Corresponding numbers were put on the

1308 aircraft more towards the nose, single digit, one through 5.

1309 . Q They corresponded to the number at the end?

1310 . A One digit was painted towards the nose of the

1311 aircraft.

1312 . Q When you arrived, they had the Maulk and the two

1313 Caribous?

1314 . A Correct.

1315 . Q How much after you arrived did the 123 that you had

1316 seen in Miami show up?

1317 . A I forget the exact--probably a couple weeks later

1318 on.

1319 . Q When you arrived then, Cooper was not there?

1320 . A In [REDACTED]

1321 . Q Yes.

1322 . A No. He was not in [REDACTED] He remained in

1323 Miami.

1324 . Q How long after you arrived did Cooper come down?

1325 . A It was a couple weeks later on.

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1326 . Q Did he bring the C-123 down?
1327 . A I believe so, yes.
1328 . Q Okay. I know a C-123 is an old plane but the one
1329 in Miami, was that newly acquired?
1330 . A This was the one that they already had acquired
1331 when I was hired, yes. This was the first one that they
1332 had. It was in there because they had to repair one of the
1333 jets was torn up.
1334 . Q At the time you were hired, there were four?
1335 . A Four aircraft.
1336 . Q But the C-123 was not down [REDACTED]
1337 . A It was in maintenance in Southern Air Transport in
1338 Miami.
1339 . Q When did they acquire the fifth one?
1340 . A It probably was acquired in August or the later
1341 part of July. I forget exactly when.
1342 . Q Where did that come from?
1343 . A It was bought maybe out of Texas or someplace.
1344 . Q Did one of your members go up to get it?
1345 . A Yes. [REDACTED] The copilot, [REDACTED]
1346 or [REDACTED] might have been in with that. Who else was
1347 involved? They were going back and forth from [REDACTED] was
1348 anyway, and also [REDACTED]
1349 . Q Between [REDACTED] and the United States?
1350 . A To Miami, yes.

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1351 . 2 During the period of time when the time you arrived
1352 and when Cooper comes back, who is operationally
1353 responsible? (13)

1354 . A [REDACTED] was second in command.
1355 . 2 Under Cooper? 28
1356 . A Cooper.
1357 . 2 During that time [REDACTED] was in command?
1358 . A Yes. (P)
1359 . 2 Okay. [REDACTED] was also one of the pilots.
1360 . A Correct.
1361 . 2 Cooper was a pilot?
1362 . A Correct.
1363 . 2 Let me just ask you to describe just briefly the
1364 three houses. Did you stay in all three or only one of the
1365 houses?
1366 . A I only lived in house number one, and that was for
1367 a short period of time all the way through July. After
1368 that, we were moved. Cooper moved us to [REDACTED]
1369 [REDACTED] in which, let's see, in the middle of August
1370 sometime, I forget exactly. In my passbook there is
1371 probably a chop date in there when I left [REDACTED] and
1372 came back home for two weeks, and I turned September 8 in
1373 [REDACTED] which we were moved to [REDACTED] which was across the
1374 street, a little bit more economical and that was basically
1375 where we were kept.

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1376 . Q Do you recall the address of the house where you
1377 stayed for a couple of weeks?
1378 . A No, I don't. I have the address of house number
1379 three, and that is it.
1380 . Q You indicated you spent the first night at house
1381 number three; correct?
1382 . A Correct.
1383 . Q Thereafter you did not spend any more time in house
1384 number three?
1385 . A No, just visiting.
1386 . Q Bad question. Thereafter, you didn't stay any
1387 longer at house number three?
1388 . A No, I did not. [REDACTED]
1389 . Q If you could spell that?
1390 . A [REDACTED]
1391 . Q Do you speak Spanish?
1392 . A No, I don't, a little "Tarzan", that is about it.
1393 [REDACTED]
1394 . Q Did they have telephones at that house?
1395 . A Yes.
1396 . Q Do you know the telephone number?
1397 . A Yes, telephone number was [REDACTED] house number
1398 three.
1399 . Q Houses numbers one and two, were you at those
1400 houses?

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1401 . A I lived at house number one, but I forget the phone
1402 number for it. I had it written down but this was
1403 confiscated from me on a small piece of paper.

1404 . Q How about house number two?

1405 . A House number two, the mechanics stayed at.

1406 . Q Where did Cooper stay?

1407 . A In house number three. Most of the pilots stayed
1408 in house number three.

1409 . Q Did most of the--well, let me ask it this way. What
1410 was your title down there?

1411 . A Air freight specialist.

1412 . Q Did most of the air freight specialists stay in
1413 house number--I have lost track.

1414 . A We stayed in [REDACTED] mainly. We first
1415 stayed at house number one, and then at this other hotel and
1416 then [REDACTED]

1417 . Q You don't recall the phone number of house number
1418 two?

1419 . A No, I don't.

1420 . Q Would you generally describe what the set up was?

1421 You have indicated Cooper was in charge and [REDACTED] was his
1422 second during that period of time. How many flyers,
1423 maintenance men approximately?

1424 . A Okay. The flyers, there was--

1425 . Q Get into people, if you have got them down on the

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1426 list, give us the names of the people.

1427 . A Okay. Pilots would be Bill Cooper who was in

1428 charge, [REDACTED] who was second in command, [REDACTED]

1429 [REDACTED] who was more or less like a secretary, and [REDACTED]

1430 [REDACTED]

1431 [REDACTED]

1432 These were all the pilots.

1433 . Q Were they substantially there throughout the time

1434 you were there?

1435 . A No. [REDACTED] and [REDACTED] came, I believe,

1436 right in September 7 or September 8 is their date of hire.

1437 [REDACTED] was right around up in there also.

1438 . Date of hire for [REDACTED] I believe that was

1439 in August. I could be corrected on any of these. [REDACTED]

1440 [REDACTED] was in the latter part of July. [REDACTED] he

1441 was there, of course, and [REDACTED] was there all the time

1442 before, as far as pilots go. There was another guy sort of

1443 like an air freight specialist there, [REDACTED]

1444 . Q [REDACTED]

1445 . A Correct. [REDACTED] He was also there and another

1446 individual by the name of [REDACTED]

1447 . Q They had similar jobs to yours?

1448 . A [REDACTED] was a pilot. [REDACTED] was a

1449 regular and also an air freight specialist.

1450 . These people were either leaving the job or being

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1451 terminated. There was other pilots there before me. I
 1452 don't know who these people were; and then as far as the air
 1453 freight specialists, there was myself. [REDACTED]
 1454 [REDACTED]
 1455 Mechanics, a head mechanic. [REDACTED]
 1456 [REDACTED] There was a
 1457 mechanic's helper there by the name of [REDACTED]
 1458 [REDACTED] There was two [REDACTED] mechanics. [REDACTED]
 1459 [REDACTED] I don't know what the other one's name was. He
 1460 was a pretty quiet individual there.
 1461 . 2 Were any of the mechanics employed by Southern Air
 1462 Transport?
 1463 . 1 [REDACTED] were both employed by
 1464 Southern Air Transport, very much so.
 1465 . 2 Did you receive documentation when you arrived on
 1466 the job, identity cards or anything like that?
 1467 . 1 After we were there maybe for a little over a week,
 1468 we were taken into [REDACTED] and they issued us these
 1469 identification cards, yes.
 1470 . 2 Let me, just so I have a sense of what this was
 1471 like, during the course of the time you were there, July,
 1472 August, September and then obviously very early into
 1473 October, during the course of those three months, how many
 1474 total flights were you on, not successful flights but how
 1475 many total flights were you on?

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1476 . Mr. PLEGER: Including Nicaragua or only Nicaragua?
 1477 . BY MR. EGGLESTON:
 1478 . Q Total.
 1479 . A Throughout Central America, 30, probably 40
 1480 flights.
 1481 . Q Of those, and how many of them did you successfully
 1482 release your cargo?
 1483 . A There was, out of air delivery [REDACTED]
 1484 [REDACTED] there was probably about four air drops.
 1485 . Q Four [REDACTED]
 1486 . A Correct, all the rest were point-to-point places.
 1487 You go there and land like at [REDACTED] you go in and leave
 1488 your cargo out.
 1489 . Q How many total air delivery flights were you on?
 1490 . A Maybe around 14.
 1491 . Q Of those, how many were successful?
 1492 . A They were all successful.
 1493 . Q You did not have occasions where you flew and--
 1494 . A Central America we are talking about, because we
 1495 had air drops, we had air drops [REDACTED] because
 1496 sometimes when it was raining so bad, we would air drop into
 1497 them. The only other place there was air drops nationally
 1498 [REDACTED] in Nicaragua.
 1499 . Q All right. Did you fly into [REDACTED] as well?
 1500 . A I did not, myself. We flew over [REDACTED] yes.

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1501 . 2 And then into Nicaragua?

1502 . 1 Correct.

1503 . 2 I am getting pretty close to where I bring out my

1504 map.

1505 . MR. FLEGER: By way of explanation, you said 30 to

1506 40 flights, you thought, of which 14 involved air deliveries

1507 is my understanding?

1508 . THE WITNESS: Correct. Test hop, that is a

1509 flight, you fly from [REDACTED] into [REDACTED] that is a

1510 flight, food or medical supplies. These other places were

1511 all flights.

1512 . MR. FLEGER: Of the remaining 30, 16 were point-to-

1513 point?

1514 . THE WITNESS: It could be more. They were all

1515 point-to-point, all the rest of them.

1516 . BY MR. EGGLESTON:

1517 . 2 The ones you just referred to as the agriculture

1518 flights, et cetera, agriculture, are those within the 30?

1519 . 1 Yes.

1520 . 2 How many flights, how many times did you fly into

1521 Nicaragua?

1522 . 1 Ten flights into Nicaragua.

1523 . 2 Does that include the one on October 5th?

1524 . 1 Correct.

1525 . 2 While we are at it, I have a map here which is

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1526 somewhat large. Would you mark this as Exhibit EH 7?

1527 . [Whereupon, the document referred to was marked for

1528 identification as Exhibit EH 7.]

1529 . BY MR. EGGLESTON:

1530 . Q What I am going to do is put this down in front of

1531 you, and I am going to come around and stand next to you,

1532 and let me just, before we proceed, let me tell you that I

1533 want to do this in a way that the court reporters can record

1534 something other than "these, theres and those". As you

1535 point out things, I will do my best to describe what you are

1536 doing in an oral fashion, so the court reporter knows what

1537 they are pointing to.

1538 . Maybe if you could start by showing us how far

1539 outside of--so [REDACTED] is right in [REDACTED] right?

1540 . A Yes, [REDACTED] is right in there.

1541 . Q There is a location which is, so I get the basics

1542 here, there is a location referred to frequently as the

1543 farm?

1544 . A Yes. That was [REDACTED] and that sits right up in

1545 this area.

1546 . Q An area just on the map here north of a location

1547 called [REDACTED] up in this vicinity.

1548 . A Right up in here.

1549 . Q That was the farm?

1550 . A [REDACTED] was the name of the place, and it was

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1551 referred to as the farm. [REDACTED] it sits up in this
1552 general area right up here.

1553 . Q I will put an [REDACTED] on the map.

1554 . A It is near here.

1555 . Q There is also a location called the plantation?

1556 . A The plantation we have to come down into Costa
1557 Rica. [REDACTED] right up in here.

1558 . Q Not far from a place--

1559 . A I am sorry. [REDACTED]

1560 [REDACTED]

1561 [REDACTED] there was a flat spot in
1562 there where there was an air strip, for our benefit called
1563 the plantation.

1564 . Q This is near a place called [REDACTED]

1565 If I were to put a [REDACTED] right here?

1566 . A Sure.

1567 . Q That would be about accurate?

1568 . A Yes.

1569 . Q So let me just ask you some general details about
1570 the flights that you took. When you first arrived, I take
1571 it you flew the Caribous?

1572 . A Correct.

1573 . Q Did you generally fly to the same place with the
1574 Caribous?

1575 . A We take off out of [REDACTED] and our flight plan

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1576 Would take us direct to--right into [REDACTED]

1577 [REDACTED]

1578 [REDACTED]

1579 . Q [REDACTED]

1580 . A [REDACTED]

1581 . Q I will get back later to what you loaded and
1582 unloaded, so these were what you call point-to-points,
1583 unless the weather was terrible or something else?

1584 . A Yes, you never really flew anything out of [REDACTED]
1585 into [REDACTED] It was basically in the beginning in these
1586 flights in the Carabou, we take off, stay down for a week,
1587 go on Monday, stay down for four or five days, and whatever
1588 the contra team designated to us where to carry, where we
1589 were going to go into [REDACTED] up in this general area here
1590 someplace, we fly back and forth here. There was another
1591 place called [REDACTED] right up in here someplace.

1592 . Q I understand the locations I am putting on this map
1593 are general, and they may be wrong by some distances or
1594 whatever?

1595 . A Correct.

1596 . Q I will put a [REDACTED] on the location and what is the
1597 other location?

1598 . A There is a place up in here called [REDACTED]

1599 . Q I will put a [REDACTED] about here.

1600 . A That is pretty close generally.

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1601 . . Q Particularly during the early part you would fly
1602 from [REDACTED]
1603 . A And work out of [REDACTED] We wouldn't take stuff
1604 out of there.
1605 . Q You would not?
1606 . A No.
1607 . Q During the course of the week from the farm, you
1608 would make the flights to [REDACTED]
1609 . A Correct. These were all point-to-point except for
1610 now and then. If there was a heavy rain storm, you would
1611 air drop into these places, and these other flights that
1612 came into Nicaragua, dropping to the FDN teams, we flew up
1613 here, come down [REDACTED] as far down as up in here.
1614 . Q Again, so I can do it, you would fly out of the
1615 farm and fly over to?
1616 . A [REDACTED] This flight pattern would vary very much.
1617 You didn't want to [REDACTED]
1618 [REDACTED] You fly basically [REDACTED] over and out
1619 across.
1620 . Q Okay. And turn south, east of [REDACTED] and down
1621 into Nicaragua?
1622 . A Yes [REDACTED]
1623 [REDACTED]
1624 These flight patterns would vary all the time from flight to
1625 flight.

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1626 . Q When you did this, you were basically flying the
 1627 Caribou?

1628 . A Anything supporting the FDM teams in northern
 1629 Nicaragua was always done by Caribou. It didn't carry as
 1630 much as a 123 but it is distance. They could travel without
 1631 refueling and all of that. The Caribou could come in
 1632 closer, play closer games.

1633 . Q The C-123s, was there a different flight pattern
 1634 you would fly?

1635 . A The C-123s were basically to fly from [REDACTED]
 1636 come out [REDACTED] fly right out here.

1637 . Q That would be along [REDACTED]

1638 . A Correct. We would come out to this checkpoint
 1639 [REDACTED] there is a checkpoint out here [REDACTED]
 1640 radio, of course, fly in, come over this, there is [REDACTED]
 1641 [REDACTED] here, come up generally, right up around in
 1642 here.

1643 . Q You indicated you would fly along the Nicaraguan
 1644 border south to near the plantation.

1645 . A Correct.

1646 . Q Turn east and fly over the plantation and continue
 1647 [REDACTED] into?

1648 . A All the way, it would be right up in this general
 1649 area here.

1650 . Q Indicating on the map in the vicinity of a location

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1651 called [REDACTED] Would these flights go into
1652 Nicaragua?

1653 . A Yes, that was our flight pattern. Come across
1654 here, and then head north into mainly right up into this
1655 area here. There is [REDACTED] another place called
1656 [REDACTED] in this area here. In other words, a C-123 with
1657 its fuel capacity with a pile on tanks could fly from [REDACTED]
1658 [REDACTED] all the way down here, fight a little bit of
1659 weather, spend a couple hours if it had to, still have
1660 enough fuel to come all the way back, where a Caribou
1661 couldn't do that.

1662 . Q The area where you indicated where the drops took
1663 place was generally [REDACTED]

1664 . A [REDACTED]

1665 . IF I had a decent map here, if we had a flight
1666 plan, 50-thousandths to 125 thousandths of that area, I
1667 could pinpoint a lot of these points right down to very
1668 close coordinates.

1669 . Q How many flights did you make with the C-123s?

1670 . A Six.

1671 . Q All six went into Nicaragua?

1672 . A These were six flights I actually penetrated
1673 Nicaragua. There was other flights I made. You get so far
1674 up in here, and you run into so much weather, you would have
1675 to come back.

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1676 . Q You made drops on 60 occasions with the C-123s?
1677 . A Yes, we made actual drops. Excuse me, one we
1678 penetrated Nicaragua and run into so much weather and we
1679 could not find an exact team site; and we returned with a
1680 load.
1681 . Q I am racing way ahead; but since I have the map
1682 down, why don't we cover the flight of October 5th, that was
1683 in a C-123?
1684 . A Correct. I want to reiterate something here. This
1685 flight that happened October 5th was a rebound from October
1686 3rd, 2nd or 3rd, I forget exactly when we left [REDACTED]
1687 and went into [REDACTED] we were supposed to work out of
1688 there, they were waiting for their main FDN Comandante,
1689 Comandante Bernudez, everything changed hands there rather
1690 quick. I was there. I am trying to think of the exact crew
1691 who was there. [REDACTED] and I believe it was, trying to
1692 think who the captain was, but it makes no difference,
1693 Cooper came in with another Caribou and they had a little
1694 pow-wow there at [REDACTED] and they switched things around
1695 where Bernudez said this team, which is right up in here
1696 anyway.

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1697 RPTS BOYUM

1698 DCHM SPRADLING

1699 [11:30 a.m.]

1700

1701 . 2 Just so we can make sense of it, it is--

1702 . A It is up in here. Here was [REDACTED] right here.

1703 We were back up in here.

1704 . 2 It was [REDACTED]

1705 . A Yes.

1706 . 2 That is where they were shot down.

1707 . A We were [REDACTED] when we

1708 got shot down. What happened was when we were in [REDACTED]

1709 all of a sudden the FDM that was usually up in here, they

1710 had this team--

1711 . 2 By 'up in here' you refer to the area of northern
1712 Nicaragua?

1713 . A Yes. To further explain this, let's sort of cut

1714 this map in half. Up here was usually your FDM.

1715 . 2 Up here meaning the north.

1716 . A Northern part of Nicaragua. The southern part was
1717 the UMO. The UMO team was mainly supplied out of [REDACTED]

1718 [REDACTED] out of [REDACTED] that warehouse that was there.

1719 [REDACTED] FDM team, being supported out of [REDACTED] the contra

1720 base.

1721 Now, all of a sudden, it was funny because they, this team

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1722 was way down in southern Nicaragua and it had to be
1723 supported. Monunez made it clear, they had two teams, if
1724 they didn't get supported, they would lose them.

1725 . Q You are referring to an FDN team down there.

1726 . A Down there [REDACTED]

1727 . Q In the area where you were shot down, was it
1728 near--was it near the vicinity of the river here, Rio Tuna?

1729 . A It would be near there, yes.

1730 . Q It--okay.

1731 . A It was somewhere up in there.

1732 . Q I think we are done with the map.

1733 . A To finish this story, these Caribous that were here
1734 loaded FDN material, small arms and ammunition and these
1735 rifles, and were flown into [REDACTED] to transfer because a--

1736 . Q They were thrown into [REDACTED]

1737 . A Yes, from [REDACTED] The reason being the aircraft,
1738 Caribous that were here could not, it wouldn't make sense to
1739 try to fly all the way down here and try to get all the way
1740 back. There wouldn't be enough fuel.

1741 . Q By here again, you refer to the--

1742 . A To the flight.

1743 . Q From [REDACTED] all the way down south.

1744 . A They would have to fly here, fly all the way south
1745 here and make the drop and fly back [REDACTED]
1746 [REDACTED] and return back up to there or try and

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1747 come back and go around or land [REDACTED]
1748 [REDACTED]
1749 . Q Did you ever land at the plantation?
1750 . A No, I didn't.
1751 . Q Was there a--did others to your knowledge land at
1752 the plantation?
1753 . A Yes.
1754 . Q What was the purpose of landing at the plantation?
1755 . A The plantation was going to be turned into another
1756 site for the UNO teams in the south just as [REDACTED] was for
1757 the FDK teams in the north. In other words, you wouldn't
1758 have to have this warehouse sitting up here at [REDACTED]
1759 everything could be sitting right down here with an airstrip
1760 that is very close to your targets.
1761 . Q Was that ever actually set up?
1762 . A The airstrip was there and they were starting to
1763 build like a small little, what would you say, a casa, a
1764 house for everybody to stay in and a small maintenance
1765 quarters.
1766 . Q But I take it it was not completed by the time the
1767 operation was--
1768 . A No, it was abandoned really because they had a C-
1769 [REDACTED], in fact it was the same one that Charlie 825 landed
1770 there, and it just sunk out of sight, went right into the
1771 mud because there is a stream that runs under the runway and

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1772 in the rainy season it is so wet there it is not feasible to
1773 use it.

1774 Q Thank you.

1775 A I just wanted to clarify something on that team,
1776 maybe I don't have to bring it up, but it is there that this
1777 last mission was changed all around so quickly. It was
1778 supposed to be a Caribou mainly to the FDM teams [REDACTED]
1779 [REDACTED] to the area [REDACTED]

1780 [REDACTED] But when Bermudez
1781 came in there that day, there was Cooper, Ramon was along, I
1782 was there, [REDACTED] was there [REDACTED] was
1783 there, and they had this change because Momunex being the
1784 biggest commander around switched it around saying they
1785 needed it out of there.

1786 So this was all transferred, seeing that the Caribous were
1787 there right away, okay, we will load them up and take this
1788 right into [REDACTED] that day, which was the third, October 3
1789 when this took place. And then October 4th the Caribous
1790 went again because they could carry 5000 pounds, so the
1791 first day they brought back 10,000 pounds of material. This
1792 was loaded aboard the C-123.

1793 Q What kind of material was that?

1794 A This was your small arms, the exact load we were
1795 shot down with. The fourth of these aircraft went down and
1796 loaded up again with another 10,000 pounds. We were

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1797 supposed to have a second trip to this same--well another DZ
1798 that was very close.

1799 . Q How much weight can the C-123 carry?
1800 . A It could carry--what we were carrying, put it this
1801 way, was 10,000 pounds because we had to max out in fuel.
1802 In other words, we can carry sometimes 14 or 15 thousand
1803 pounds depending on what you are doing, depending on how
1804 much fuel you have to have and besides the airstrip,
1805 elevation, atiquetta going into the place.

1806 . Q The arms that were transported by the various
1807 different cargo planes, were they primarily shipped first
1808 into [REDACTED]

1809 . A When I came into [REDACTED] in July, July 9th, we
1810 didn't go out to the air base, it was probably a couple days
1811 later on. We were shown [REDACTED] air base where the
1812 aircraft were parked and this warehouse [REDACTED]
1813 [REDACTED] The warehouse was full already. They had rigging
1814 there, parachutes there, they had all the medical supplies,
1815 all your uniform and web gear and all the small arms
1816 ammunition. It was already there with three or four contra
1817 individuals who stayed there which were riggers and radio
1818 operators and one coordinator [REDACTED]
1819 [REDACTED]

1820 . Q Was it ever resupplied during the period of time
1821 you were there?

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1822 . A No, it was not.

1823 . Q Could you tell by looking at the material where the

1824 material had come from?

1825 . A A lot of it was all U.S. material except there was

1826 a couple agent K-21 machine guns encased there.

1827 . Q Who makes those?

1828 . A That is a European-made weapon. And ammunition for

1829 them which is the 7.62 by 55 which is all ammunition for all

1830 your agent Ks which the contra use quite a bit besides your

1831 7.62 mm for your AK.

1832 . Q How did you know the other material was from the

1833 United States?

1834 . A It was all marked, standard U.S. military issue.

1835 . Q And what material is it that you are describing

1836 that was military issue equipment?

1837 . A This was all your 60 mm mortar and hand grenades.

1838 . Q Were they in boxes?

1839 . A Correct, military crates, standard box that they

1840 are shipped in.

1841 . Q Anything else that you recall?

1842 . A It was mainly just mortars, small arms, I mean the

1843 ~~the~~ ammunition, there are two different calibers of AK

1844 ~~the~~ ammunition.

1845 . Q Let me stop you, I got imprecise on you. Was there

1846 anything also you could tell by looking at it that it was

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1847 United States material other than the mortars and hand
1848 grenades?
1849 . A That and the parachutes and webbing was all
1850 American.
1851 . Q What is webbing?
1852 . A All the A7A slings, these are slings for rigging
1853 small bundles and the parachutes.
1854 . Q And the parachutes were stamped in some fashion
1855 that you could tell they were United States?
1856 . A They were all U.S., yes.
1857 . Q Anything else that you recall?
1858 . A No, no.
1859 . Q How about the medical supplies, the boots, the
1860 uniforms?
1861 . A When we get back to U.S. supplies, I stand
1862 corrected, they were--all the uniforms we did were all U.S.
1863 manufacture, all the boots were U.S. manufacture that were
1864 in [REDACTED] itself, yes.
1865 . Q Can you tell by looking at--you would have to pardon
1866 my lack of knowledge about how the military works--can you
1867 tell by looking at the crate that the grenade came in, can
1868 [REDACTED] tell, for example, the grenades--can you tell what branch
1869 [REDACTED] the military they came from?
1870 . A No, no, there is no such thing. It is just a
1871 standard government contract I imagine, which each one is

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1872 made up for in lot numbers.

1873 . Q But there were lot numbers on the sides, and the
1874 whole thing?

1875 . A Yes. Correct.

1876 . Q But that was not resupplied during the period of
1877 time that you were there.

1878 . A No, nothing was resupplied. Along the line of
1879 September what we did was [REDACTED] itself, the UNO group--we
1880 were running short of parachutes because this large influx
1881 when we were dropping to the south to the UNO teams, we were
1882 running out. So what they did, we flew maybe 20 or 30
1883 thousand pounds of like these hand grenades and mortar
1884 rounds and actually bartered or traded at [REDACTED] with the
1885 UNO teams for parachutes which they had and brought them
1886 back and this was a scratch my back or trading and bartering
1887 around to try to get the thing to work because the teams
1888 were not working that close together.

1889 . Q Can you describe the size of the hangar or the
1890 warehouse or whatever that contained all the material, I am
1891 talking about the military material now when you first
1892 arrived?

1893 . A It was about a hundred feet long and maybe 20 feet
1894 wide.

1895 . Q I don't know that you can answer this question, but
1896 during the course of the time that you were there, do you

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1897 have any idea how many pounds worth of material was emptied
1898 out of the warehouse and delivered? You might know because
1899 you were there.

1900 . A I will give you round figures here.

1901 . Q Fine.

1902 . A When I got there I would say there was roughly
1903 100,000 pounds worth of equipment in there and at the time
1904 we finished up there was, half of it was gone.

1905 . Q Now, when you went to the farm--for some reason I
1906 cannot pronounce that word so I will keep calling it the
1907 farm, when you went to the farm was it separately supplied
1908 from anywhere or were its supplies only from [REDACTED]

1909 . A [REDACTED] or the farm, in [REDACTED] was supplied
1910 altogether separately. This was an FDM, I keep stating
1911 this--

1912 . Q Okay.

1913 . A --and this was a main contra base there which had
1914 their own aircraft and everything, also they had their own
1915 warehouses which were much more massive, they had a huge
1916 warehouse there something like 200 feet by a hundred feet
1917 plus a lot of tents that were full of old uniforms and
1918 [REDACTED] thing that was necessary to supply teams.

1919 . Q Maybe I am just now understanding, so that the
1920 place at [REDACTED] was basically used to supply the south.

1921 . A Correct. There is actually three teams, the

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1922 Mesquite, the UMO and FDM.

1923 . 2 Right.

1924 . A But the UMO was basically supplied all out of

1925 [REDACTED] The FDM was all out of [REDACTED]

1926 . 2 So approximately \$0,000 pounds worth of material

1927 that was supplied out of [REDACTED] that was what went to the

1928 UMO team.

1929 . A Correct, except like maybe 20 or so thousand went

1930 up to [REDACTED] or the farm for trading for parachutes and

1931 that.

1932 . 2 Okay.

1933 . A I know it is confusing.

1934 . 2 It was confusing until just then and now I know

1935 what you are talking about. At the farm, did the contras

1936 also make deliveries into--

1937 . A They had a DC-6 of their own, yes, which was

1938 supplied to them. They also had a C-47. They had a few

1939 ^cMaules, they had a couple of push-pull Cessnas. In L-19 they

1940 had, and a helio, a bunch of small aircraft, but the main

1941 was the DC-6 and C-47.

1942 . 2 So the place at the farm was substantially larger

1943 than the other operation.

1944 . A It was the main contra base for years, I believe.

1945 to the best of my knowledge.

1946 . 2 How much of your time did you spend in [REDACTED] and

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1947 how much of your time did you spend at the farm?

1948 A The farm was, let's just put it this way, [REDACTED]

1949 [REDACTED] was our home base. [REDACTED] was a remain overnight

1950 case. You go work out of there for a week if they have the

1951 work. You go down there and stay, you brought a mechanic

1952 with you, the contras themselves gave you all the fuel you

1953 needed and all the food if you so desired, they supplied you

1954 all the way with mechanics to help you, anything.

1955 Q Let me direct your attention to the material that

1956 was stored and I say material, I mean the military material

1957 that was at the farm.

1958 A Right.

1959 Q Could you tell by looking at it the origin of that

1960 material?

1961 A It was the same as [REDACTED] exactly, in fact just

1962 much more massive. A lot of their stuff and uniforms and

1963 stuff was acquired through foreign markets [REDACTED]

1964 and stuff like that, a lot of those, their hats and other

1965 uniforms, parts of uniforms.

1966 Q How did you know that?

1967 A Some of their, what you call it, you got your

1968 [REDACTED] hat which I forget how you say it in Spanish but

1969 [REDACTED] other hat with a brim, sombrero, which they also used

1970 in camouflage, they were all [REDACTED] because with the

1971 tags on it, I could go to a store anywhere down here and it

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1972 | says [REDACTED]
1973 | . Q But the military equipment again like the hand
1974 | grenades and the mortars--
1975 | . A And many of the uniform, yas, and the boots, they
1976 | had several different kinds, jungle boots. Right now the
1977 | U.S. Government is broke down with special forces, we have
1978 | the jungle boot, now we have the mountain boot and it is
1979 | getting crazy, this inventory. And they had similar things.
1980 | . Q The boxes, for example, that contained the grenades
1981 | had United States markings?
1982 | . A Correct, a lot of the boxes were repacked, let me
1983 | put it that way. Some of the stuff in them was taken out
1984 | and other material like guns or anything, repacking them
1985 | just like you go to the grocery store and get a couple
1986 | cardboard boxes and repack them and mail them someplace.
1987 | . Q Just one or two questions more on this line. Were
1988 | the warehouses at the farm resupplied during the period of
1989 | time that you were there?
1990 | . A They could have been. This was all taken care of
1991 | by their own people. These people were very elite compared
1992 | to the few people we had at [REDACTED] How they got it there
1993 | I don't know, but I know they were resupplied with
1994 | parachutes and aviation gas and other things, uniforms and
1995 | stuff like that, I believe, came in there.
1996 | . Q But you don't know how?

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1997 . A I never seen it because like I say we would fly
1998 there, stay a few days and be gone and probably wouldn't be
1999 there for a couple weeks more and return just maybe for a
2000 quick trip in and gone again.

2001 . Q Did you remain friendly with Cooper during the
2002 period of time you were there?

2003 . A Oh, very much so, yes. Personalities changed a
2004 little bit but--

2005 . Q Who did Cooper answer to? Who was Cooper's
2006 supervisor?

2007 . A I know Dutton was a supervisor, one of his
2008 immediates. Above that it was hearsay. I heard names like
2009 Gadd which I heard also that Dutton replaced Gadd, above
2010 that there was, everybody was asking who is above this and
2011 Secord's name was brought up several times, but Bill Cooper
2012 himself never really come out and said yes, you know.

2013 . A couple other guys like [REDACTED] and [REDACTED] and they
2014 were sitting around House 3 one night and they were brought
2015 up and I believe it was in Time or Newsweek, one of them
2016 where Secord's picture was in. Bill pointed him out and
2017 said that is the guy. Things like this.

2018 . Q Did you ever meet Dutton?

2019 . A Yes, I did.

2020 . Q Did you know, had you ever met Dutton prior to the
2021 time you went to Central America?

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2022 . A Me, I did not.

2023 . Q You met Dutton down in [REDACTED]

2024 . A I met him, yes, well [REDACTED] being

2025 the same place, yes.

2026 . Q How long was he down there?

2027 . A I would say approximately a week.

2028 . Q Do you remember when it was?

2029 . A September 8, this is the first time I met him.

2030 September 8 I believe was on a Monday.

2031 . Q Okay. Was this after you had returned from your

2032 two weeks?

2033 . A Correct.

2034 . Q Did he go back down to [REDACTED] with you?

2035 . A No, he was there already when I got there.

2036 . Q He was there approximately for a week?

2037 . A Yes.

2038 . Q Did you have any conversations with him?

2039 . A Yes, myself, I was more or less in charge of the

2040 head air freight specialist, in other words, and I was in

2041 charge of making sure we had enough equipment on hand to

2042 resupply anything by air, you know, that everything was

2043 ~~there~~ which was a nice title but it wasn't worth anything

2044 ~~because~~ everything I talked with saying we need so many A7A

2045 slings, because I was asked what would it take to deliver

2046 this whole warahouse, so I give them an order of 6 or 7

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2047 hundred parachutes, so many A7A rings and D rings that go
2048 along, but it was never recruited.

2049 They bartered and traded with [REDACTED] for a lot of this
2050 stuff. That is mainly what I talked with Dutton about. If
2051 I needed it he was supposed to recruit it here in the states
2052 through whoever he deals with.

2053 Q Do you know who Dutton worked for? Do you know who
2054 employed Dutton, let me ask you that?

2055 A No, no, I do not.

2056 Q Did you become friendly with Dutton?

2057 A Well, he was a likeable guy.

2058 Q When is the last time you talked to Dutton?

2059 A Oh, let's see, 13th, right up in there, 14th, right
2060 just before he left there I believe.

2061 Q Thirteenth or fourteenth of September?

2062 A Yes, correct.

2063 Q So you have not talked to him since you have been
2064 back in the states?

2065 A No, I have not seen or heard from him myself.

2066 Q And did Dutton tell you anything about anything
2067 else about the operation?

2068 A No, Dutton was very coy, just being, you know, his
2069 [REDACTED] sure time in front of everybody there was very short,
2070 and he was very coy of what he said to anybody, being in the
2071 higher echelon, kept his conversations down to maybe Cooper

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2072 and maybe myself and [REDACTED]

2073 . Q Did Cooper tell you anything about Dutton?

2074 . A No, not much, he just said he is more or less in

2075 charge, when he is here, and stuff like that.

2076 . Q Did Cooper, I take it Cooper from time to time must

2077 have been calling people, let me put it this way, I have the

2078 sense this operation was constantly needing more material

2079 and more money and various things and Cooper must have been

2080 calling people asking for additional material and things

2081 like that. Is that true? Is that an accurate assessment?

2082 . A That is a very accurate assessment.

2083 . Q Do you know who he called?

2084 . A I knew maybe that he called Dutton because a couple

2085 times he said he would have to call but any other names than

2086 that really, no, he probably would call SAT for parts and

2087 stuff like this but there was many a phone call that came in

2088 for him and many phone calls that went out. This was just a

2089 lot of times a short period of time that I would visit House

2090 3.

2091 . Q These were calls made in and out of House 3?

2092 . A Yes.

2093 . Q That is where Cooper lived?

2094 . A Correct.

2095 . Q Did he have an office in House 3?

2096 . A Sort of, I guess you could say. He had his own

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2097 private bedroom and that.

2098 Q To your knowledge did he ever talk, this again as I

2099 say is to your personal knowledge--did he ever talk to Mr.

2100 Secord?

2101 A To the best of my knowledge, I never knew that he

2102 did.

2103 Q Did he ever tell you that he talked to Secord?

2104 A No.

2105 Q You indicated that you mentioned a Mr. Gadd, G-a-d-

2106 d, I believe it is, did he talk to Gadd during the time that

2107 you were there?

2108 A I do not know, no.

2109 Q I think I asked you earlier about ^{Ga}Dag^{er}ay, did he

2110 talk to him during the time that you were there?

2111 A I don't know that. What would happen, he had a

2112 phone upstairs in his bedroom and [REDACTED] room that was

2113 turned into an office more or less, there was a private

2114 phone in there plus the other phone out.

2115 What he would do is a lot of times he had one of these

2116 scrambling machines or one of these you can dictate into

2117 like the press has and you stuff like this, you can type

2118 everything into it and it was all set up where it had a

2119 [REDACTED] ramblar on it and you would call the number and he would

2120 say stand by, and I would put on a headset and feed

2121 everything out and you wouldn't know. He will just erase it

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2122 after that.

2123 Q Do you know the make of this machine?

2124 A I don't know. (11)

2125 Q Did anyone else have a machine like that?

2126 A No, it was [REDACTED] used it. He would know.

2127 Q It was in House 3?

2128 A Yes.

2129 Q Located in House 3. Do you know who was on the

2130 other end of those scrambled calls?

2131 A No, I don't. I know a lot of times he told me a

2132 lot of time it was--we would be talking and he would say this

2133 is being run directly out of the White House and different

2134 things like that. The only thing I can presume if I had

2135 those telephone numbers myself, the lists that was acquired

2136 from [REDACTED] where they all went to I could probably

2137 say these were there because it is there in black and white.

2138 Q Let me just--I am not sure I followed that. If you

2139 had the list--

2140 A If I had the telephone numbers that were acquired

2141 from [REDACTED] from the phone company from House 3 when

2142 they found out where these phone numbers were here, there or

2143 wherever, they had to receive an end. So that is the only

2144 thing I could go on. But I didn't know about all this until

2145 later on.

2146 Q But you recall him at the time mentioning that this

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2147 thing is run out of the White House?

2148 . A Oh, he said that several times, yes. Very

2149 seriously.

2150 . Q Did he tell you any specifics about who in the

2151 White House?

2152 . A He didn't come out and really pinpoint anybody, no.

2153 Bush's name was mentioned a couple times.

2154 . Q Did he know Bush?

2155 . A I don't know.

2156 . Q Did he--I guess I would ask you this way--in what

2157 context did he mention Bush's name?

2158 . A When he said it is being run out of the White House

2159 and Bush knew things, his name was brought up. I don't know

2160 how the telephone conversation went or who he called, but

2161 the White House and Bush's name was mainly brought up a lot

2162 of times because of Gomez, Rodriguez was there and had quite

2163 a bit of power.

2164 . Q I was about to roll into Rodriguez anyway.

2165 Rodriguez was actually down there during the period of time

2166 that you were there?

2167 . A Yes.

2168 . Q And had you met, did you know him prior to the time

2169 that you were down there?

2170 . A No, I did not.

2171 . Q You didn't know him when you were in Southeast

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2172 Asia.

2173 A No, I did not.

2174 Q Did you know him down there by the name of

2175 Rodriguez or Gomez?

2176 A Gomez.

2177 Q Did you become friendly with him?

2178 A Not really, no. I knew him and we talked if we had

2179 to talk and that was it, just strictly for business.

2180 Q Where did he live?

2181 A He lived [REDACTED] in the bachelor's officers

2182 quarters.

2183 Q He--

2184 A I believe. That is where I knew his place was,

2185 that is where you could find him now and then.

2186 Q I want to get back to Gomez but I want to ask about

2187 two other people. You made a reference to a person called

2188 Ramon. Do you know his last name?

2189 A No, I have it though and I copied this out of

2190 papers. Luis Guesada ^[Posada] Coralles or whatever it is.

2191 Q I will ask you, but was his name Ramon Medina?

2192 A Yes, that is what we referred to him as.

2193 Q You knew him at the time as Ramon?

2194 A Yes, this other name had nothing to do with it.

2195 Q When you give the name Luis Guesada--

2196 A This was the name the newspaper dug up. Roach was

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2197 his other name or whatever.

2198 . Q This was something you learned after the fact.

2199 . A After the fact, yes.

2200 . Q We will refer to him as Ramon because I want to

2201 keep it restricted to knowledge you had when you were there

2202 before you came back.

2203 . Was he down there during the course of time you

2204 were down there?

2205 . A Very much so.

2206 . Q There was another name, Rafael Quintero.

2207 . A I knew him just as Rafael.

2208 . Q You didn't know his last name?

2209 . A No, I did not.

2210 . Q You have subsequently learned his last name is

2211 Quintero?

2212 . A Correct.

2213 . Q Did they all three live there?

2214 . A Rafael would visit, he visited twice during the

2215 total duration of my time there.

2216 . Q But Medina and Rodriguez were around frequently?

2217 . A Yes, they lived right there.

2218 . Q Did Medina also live there?

2219 . A No, Medina had a casa that wasn't far from House

2220 No. 3

2221 . Q Let me get back to Rodriguez. Were those three

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2222 guys friends?

2223 . A Yes, yes.

2224 . Q Did they spend a lot of time together?

2225 . A They talked a lot together.

2226 . Q Did you know any of them before you started working

2227 there?

2228 . A No, I did not.

2229 . Q We got on to Rodriguez because you mentioned him in

2230 connection with the White House. How was it that you

2231 connected him to the White House?

2232 . Again I want to be sure that you are answering as

2233 of the time you were there and not something you may have

2234 learned about later.

2235 . A This is when I was there, but what was happening

2236 was I don't know the exact date of hire when Bill Cooper

2237 came in, I understand this Gadd hired Cooper and he also

2238 hired [REDACTED]

2239 . Q Do you know that from Cooper?

2240 . A No, other people told me this.

2241 . What was happening is Cooper was taking over from

2242 the other people who were in charge there before Cooper.

2243 [REDACTED] they were hired from or where they came from, I don't

2244 know. A lot of people don't know. Cooper probably knew.

2245 But [REDACTED] he knew.

2246 . Q [REDACTED] was there prior to that time?

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2247 . A Yes, very much so. What was happening is on and
2248 off the base there was conflicts of interest [REDACTED]
2249 [REDACTED]
2250 [REDACTED] Max Gomez was a close companion [REDACTED]
2251 [REDACTED] Cooper coming in and taking over and being a new
2252 individual, there was conflicts of interest, like I am
2253 saying, once Cooper said it would be done this way, but we
2254 all got to get along, and there was head bumping. Now and
2255 then we couldn't fly the airplanes, couldn't even get on to
2256 [REDACTED] air base for the reason Max Gomez would tell
2257 [REDACTED] this is the way it is going to run, Cooper
2258 would knock heads with Max Gomez, Max Gomez would have the
2259 upper hand being friends [REDACTED] and you couldn't get
2260 on the base or touch the airplanes, so it threw a lot of
2261 monkey wrenches into the process of what was happening.
2262 . Now what was happening there is one time Cooper
2263 made several phone calls to whoever he was making them to,
2264 he said he had had about enough of this, he has to have
2265 command or put somebody else in charge to take care of this
2266 madhouse.
2267 . So when these names were brought up, [REDACTED] was
2268 telling me that, well, Bill Cooper is going to lose. He is
2269 going to lose right away because Max Gomez is going back to
2270 the states, he knows George Bush personally because Max
2271 Gomez supposedly being with the CIA and George Bush's

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2272 connection with the CIA, were friends. So there is just,
2273 you can just about lay money Bill Cooper was going to lose
2274 and Max Gomez would come out the victor.
2275 This is when George Bush's name was brought into it much
2276 heavier by [REDACTED]
2277 Q Now, when did this bumping take place?
2278 A This was in July and August.
2279 Q Was there more than one conversation with [REDACTED]
2280 [REDACTED] about the conflict between Gomez and Cooper?
2281 A Yes, [REDACTED] being one of the first individuals
2282 there was not in favor--he did not care for William Cooper
2283 that much as some of the other people that Cooper let
2284 terminate themselves, and which [REDACTED] was one of them.
2285 Q Did he--
2286 A There was bad feelings a lot of times.
2287 Q Cooper fired [REDACTED]
2288 A No, he let just about everybody terminate
2289 themselves.
2290 Q Okay.
2291 A That is where things were said because William
2292 Cooper was drawing back trying to establish a new thing here
2293 getting people who did this before, that is why he was
2294 calling people like [REDACTED] myself,
2295 he was going back to where people did all this stuff for
2296 many years and he was trying to form a nucleus. That is

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2297 exactly what happened here except for a few of the people.
2298 one of the pilots had stuck around that fit into it very
2299 well.

2300 . That was Sawyer, Buzz Sawyer. He just fit into it
2301 beautiful. But anyway, out of all this stuff Cooper was
2302 back in the states, Max Gomez was in the states, and all of
2303 them came back and William Cooper won the battle and he was
2304 in charge and Max Gomez was told to keep a low profile, but
2305 Cooper being the individual he was, he did not want to lose
2306 him as an ally, Max Gomez, because of his expertise of
2307 knowing everybody there, knowing the shortcuts and all the
2308 political parts of it.

2309 . So they got along together after that quite well.

2310 . Q So did Cooper and Gomez both go back to the states
2311 together?

2312 . A I believe they were, yes.

2313 . Q Do you remember when that was? Was it before or
2314 after you went home for your two weeks?

2315 . A That was before.

2316 . Q So sometime in August probably?

2317 . A Correct.

2318 . Q Do you know who they met with?

2319 . A I don't know. I know they went back to Washington
2320 here.

2321 . Q Okay. Do you know whether they saw any political

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2322 figures or whether they saw Dutton?

2323 . A No, I don't know.

2324 . Q Other than that one week, was Dutton ever down

2325 there?

2326 . A That was the only time I ever seen him down there.

2327 . Q Did Bush's name come up in any context other than

2328 this battle between Cooper and Gomez?

2329 . A That was mainly it, yes.

2330 . Q And during the times that Cooper would make

2331 references to this thing being run out of the White House as

2332 you said, he never mentioned any specific names or anything?

2333 . A He never mentioned any names, no.

2334 . Q Obviously a name that has arisen since then was

2335 Colonel North. Was that name ever mentioned?

2336 . A I never heard his name before.

2337 . Q Was he ever down there to your knowledge?

2338 . A No.

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2339 DCMN STEVENS

2340 . Q And Admiral Poindexter, was his name ever
2341 mentioned?

2342 . A No.

2343 . Q Do you know Colonel North?

2344 . A No. I don't know the man individually.

2345 . Q You have never met him?

2346 . A No.

2347 . Q And never talked to him on the phone?

2348 . A No.

2349 . Q To your knowledge, Poindexter was never down there
2350 during the period of time you were there.

2351 . A No.

2352 . Q When was the last time that you spoke to Gomez?

2353 . Let me ask you this--that is a bad way to ask
2354 it--have you spoken to Gomez since you have been back in the
2355 States?

2356 . A No.

2357 . Q Have you spoken to Medina since you have been back
2358 in the States?

2359 . A No.

2360 . Q Or have you spoken to Quintero since you have been
2361 back in the States?

2362 . A None of them, no.

2363 . Q This may be a hard question to answer, but what was

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2364 Gomez' day-to-day responsibilities?

2365 . A Gomez was to the best of my Knowledge just thinking
2366 it over, he was our liaison [REDACTED] he
2367 was also liaison very much so in between the FBM [REDACTED]
2368 [REDACTED] and also the UNO team, however they communicated or
2369 however they did it, he was in charge of that. He knew
2370 whatever or however they communicated.

2371 . Q Did Gomez ever tell you--you indicated [REDACTED] told
2372 this story about how Gomez was CIA and Bush was CIA. Did
2373 Gomez ever tell you he had been with the CIA or was CIA or
2374 anything?

2375 . A No, Max Gomez and I, we never had conversations
2376 like that.

2377 . Q I want to ask about the two other individuals which
2378 are Medina, what were Medina's day-to-day responsibilities?

2379 . A Medina was underneath Max Gomez. His main job
2380 would be making sure the houses were all taken care of, they
2381 had the proper servants, the food was there, rent was paid,
2382 vehicles were kept running, the drivers, and making sure we
2383 had fuel for an aircraft.

2384 Just miscellaneous stuff like that.

2385 . Q Did he pay the expenses?

2386 . A Yes, he had an expense account, I believe, yes.

2387 . Q Do you know who employed Rodriguez?

2388 . A No, I don't know who he actually came underneath,

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2389 no.

2390 . Q You don't know if he was on the payroll of

2391 Corporate Air Services?

2392 . A I doubt that they are such.

2393 . Q How about Medina?

2394 . A I doubt that they are much.

2395 . Q You doubt it but you are not sure?

2396 . A I am not sure but I doubt it very much.

2397 . Q Do you know where Medina got the money that he used

2398 to pay his expenses, to make his payments for expenses?

2399 . A Yes. All this here money, they would have

2400 different pilots or different mechanics would rotate between

2401 Miami and [REDACTED] They would carry as much cash

2402 legally on them back into [REDACTED] in U.S. currency.

2403 . Q You were back in the United States two times. Let

2404 me take those one at a time. You were in the United States

2405 two times, the first time you went down there, did you carry

2406 cash with you on that occasion?

2407 . A I never carried any cash with me.

2408 . Q As far as you know, [REDACTED] didn't either?

2409 . A I don't believe so, no.

2410 . Q The second time did you carry cash with you?

2411 . A I didn't even bother to go through them. I went

2412 strictly commercial that time.

2413 . Q The two weeks that you came back I guess was the

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2414 last week of August and first week of September.

2415 . A Correct.

2416 . Q That was just purely a vacation.

2417 . A Strictly vacation and meeting my folks, yes.

2418 . Q Do you know where the people who got the money, the

2419 cash up to the limit which, as I understand, was \$10,000, do

2420 you know where they obtained the money?

2421 . A To the best of my knowledge, they got it all from

2422 Southern Air Transport.

2423 . Q And what did they do with it when they arrived in

2424 [REDACTED]

2425 . A It was turned over to Cooper.

2426 . Q Cooper.

2427 . A If Cooper wasn't there, it would be turned over to

2428 [REDACTED]

2429 . Q Do you know how many times this happened?

2430 . A I wasn't there all the time when the people rotated

2431 or anything, but the exact number of times, I don't know.

2432 . Q Would it happen once a week?

2433 . A Whenever it was feasible or when everybody rotated

2434 like even individuals like Raphael when he would come he

2435 would carry as much as possible or mechanics or anybody that

2436 was coming back and forth from leave or anyone that would

2437 come through there who wanted to bring it from Southern Air.

2438 They wouldn't say, you do this, or anything. They didn't

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2439 force anything on myself anyway.

2440 . Q What were Raphael's days to--you only met him twice,

2441 I understand.

2442 . A He was a higher echelon, mainly through the UNO

2443 team. He was in charge. Probably higher than Max Gomez.

2444 . Q You think he was higher than Max Gomez?

2445 . A He was never around there, he just came down

2446 seldom, two times that I know of, to coordinate different

2447 things.

2448 . Q Do you know where he came from on those two

2449 occasions?

2450 . A He came from Florida.

2451 . Q Do you know who employed Raphael?

2452 . A No, I don't.

2453 . Q But in each cases he had come down from Florida?

2454 . A Correct.

2455 . Q And it is your understanding that he brought down

2456 with him cash on each occasion?

2457 . A I believe so, yes.

2458 . Q And where did Raphael stay when he came down?

2459 . A I don't know. He might have stayed there at house

2460 there a couple times. Now and then people were there or not

2461 there. There were three or four bedrooms. Other than that,

2462 he might have stayed at one of the hotels [REDACTED]

2463 [REDACTED] or something.

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2464 . Q What did he do when he came down?

2465 . A He would mainly talk with Cooper and Ramone and Max
2466 Gomez.

2467 . Q Did Cooper tell you what his role was?

2468 . A No, he did not.

2469 . Q Did [REDACTED] tell you what his role was?

2470 . A No.

2471 . Q Did you have personal conversations with him?

2472 . A Not really. He just asked me if there was enough
2473 equipment and how were these people in [REDACTED] how were
2474 they doing for rigging and material and stuff like that
2475 because I was changing it around a little bit because it
2476 wasn't really up to specs.

2477 . Q Let me ask you, I think I asked you but I want to
2478 be sure I did, the code machine that you indicated that
2479 Cooper had, that was used by Cooper and [REDACTED] and
2480 [REDACTED] did anyone else have a code machine like that?

2481 . A That was the only one I know of that was there,
2482 yes.

2483 . Q But all three of them used it?

2484 . A Correct.

2485 . Q Do you know where they got it?

2486 . A I don't know where they accrued it.

2487 . Q Are you getting tired?

2488 . A No. I am not tired. I am here to do whatever you

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2489 gentlemen would like.

2490 . Q Was there a guy involved by the name of Cupp, c-u-p-
2491 p, or c-u-p?

2492 . A I don't recall that at all, no. There was always
2493 somebody whispering back in the corner all the time and I
2494 wondered a lot of the time whether I was even there. I
2495 would say, Bill, what is going on? I got to know. But he
2496 would say the less you know the better off you are.

2497 . Q Did he tell you why?

2498 . A I don't know what was going on in his mind, but the
2499 amount of people or who he was involved with he was trying
2500 to keep secluded for a good reason and I can understand why
2501 now.

2502 . Q But at the time he didn't tell you why you would be
2503 better off not knowing?

2504 . A No.

2505 . MR. PLEGER: Is that Cup?

2506 . MR. EGGLESTON: C-u-p or c-u-p-p.

2507 . MR. SMITON: Two 'p's'.

2508 . BY MR. EGGLESTON:

2509 . Q I know you were not a pilot, but the times that you
2510 made flights, did you always fly with the same crew?

2511 . A No. We were trying to keep this project pay, when
2512 you were flying into Nicaragua bused up so everybody would
2513 be even. So we wanted to fly, started out flying like two

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2514 individuals in the back of a Caribou and a C-123 later on,
2515 but back here in the States somebody didn't go along with
2516 this because it was costing them extra money, they were
2517 cutting corners as much as possible so only one individual
2518 would be in the back so we were scattered around quite a bit
2519 like I said. I was on ten drops. Naturally there was much
2520 more than ten drops, exactly I didn't keep track of them,
2521 while I was on leave drops were made and other flights were
2522 made, but that is mainly how that works.

2523 . Q So you varied. You were not--

2524 . A Right.

2525 . Q Cooper wasn't always the pilot.

2526 . A No, no. Cooper would stay there much more, he
2527 would sacrifice his time to appease people because sometimes
2528 you got stuck down there longer than you would like to. The
2529 contract more or less was you worked like 21 days on, ten
2530 days off, that was the etiquette, something like that, and
2531 you tried to do it as much as that. With the number of
2532 aircraft we had and the way things were so indecisive, some
2533 times there would be a lot of work, then there would be
2534 nothing.

2535 . So sometimes you would get stuck a little longer
2536 and you couldn't justify hiring anybody else to get involved
2537 in this to try and really cover a schedule where everybody
2538 could have the exact time off they were talking about.

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2539 . Q I want to ask you about how the flights worked.
2540 When you knew you were going to make a drop, say, into
2541 Nicaragua, actually a drop as opposed to a point-to-point.
2542 . A Yes.
2543 . Q How did you know what to put in the airplane? Who
2544 told you what to put in the airplane?
2545 . A We ourselves did not decide this. [REDACTED]
2546 [REDACTED] the contra leaders would say, we
2547 would just say okay, this is such and such, we can take
2548 5,000 pounds, that is usually what we give them. They would
2549 decimate the DZ and they would give us 5,000 pounds of
2550 equipment and that would be it.
2551 . Q So when you flew out of the farm, again using that
2552 form of the term, you had the DZ priority the time that you
2553 left.
2554 . A Oh, yes.
2555 . Q And was there some signal that would let you know
2556 that it was safe to drop or that whoever was to receive it
2557 was going to be in the area or anything like that?

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2558 RPTS BRADFIELD

2559 DCHM DOMOCK

2560 12:15 p.m.

2561 . A Yes, out of the farm again, we would take a contra
2562 radio operator with us, and he would come along and he had
2563 two HF radios, in case one malfunctioned and another one, a
2564 small little brick radio, and he would talk to the team
2565 himself and verify things, he would know exactly where the
2566 drop was, but all these drops I was on were all at night,
2567 but he would make contract, make sure it was the team.

2568 . Now and then, you would be flying and somebody else
2569 start talking, the over-here trick.

2570 . Q When you flew out of [REDACTED] did
2571 you have a contra individual with you on those occasions?

2572 . A Occasionally we did, like the last trip we did, but
2573 there was altogether different. They were supposed to have
2574 signals out. Different variations we tried to set up, but
2575 the UNO team was altogether different. They never had a
2576 signal out once and after we returned a couple of times with
2577 the cargo, other people like Gomez and Raphael, they just
2578 said okay, this one place [REDACTED]

2579 [REDACTED]

2580 [REDACTED]

2581 . You couldn't miss the geographic location. Drop it
2582 all there anyway, which we did before we got back to

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2583 [REDACTED] they come up and got it, you know. This happened
2584 several times like that.

2585 . Q So on those occasions when you dropped in the south,
2586 who was it you told, who told you or the pilot where to
2587 drop?

2588 . A This all came through like Max Gomez, came up with
2589 the coordinating drops, the coordinates for it, or Ramon had
2590 it, and where they got it.

2591 . Q You don't know?

2592 . A My suspicion is, it could have came out of [REDACTED]
2593 [REDACTED] Florida or out of any place.

2594 . Q On those occasions, as far as you know, they were
2595 the people.

2596 . A Yes.

2597 . Q Did either one of them ever go in flight?

2598 . A No, they were not allowed to. At one time, I
2599 believe, I wasn't there then, I guess Ramon went on a
2600 flight.

2601 . Q On the occasions when you flew out of [REDACTED] as
2602 opposed to out of the farm, how did you know what to load in
2603 the plane?

2604 . A [REDACTED] was the same way. Captain Lomez was a
2605 [REDACTED] there with his radio operators, it was already
2606 confirmed there we could take so many thousand pounds there.

2607 . Q And [REDACTED] would tell you what to load in the

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2608 plane?

2609 . A That and coordination with Gomez there and Ramon.

2610 . Q Okay, and he was a contra? [REDACTED]

2611 . A Correct.

2612 . Q Was he located right on [REDACTED]

2613 . A Yes, he lived in the officer quarters there, I

2614 believe.

2615 . Q Did [REDACTED] have a code machine?

2616 . A No, he didn't have anything like that. I know in

2617 the back of this warehouse [REDACTED] there was a small

2618 quarters in the back where his men stayed, three, four of

2619 them, they had bunks, showers, and there was a larger radio

2620 there.

2621 . Q You don't know whether it had scrambling

2622 capabilities or not?

2623 . A I don't think so.

2624 . MR. FLEGER: When do you eat?

2625 . [Discussion off the record.]

2626 . MR. EGGLESTON: I was making sure I wasn't leaving

2627 anything behind, since I sort of ignored my notes.

2628 Depending on what other questions the other people ask, I

2629 was hoping we could finish and go to lunch later.

2630 . BY MR. EGGLESTON:

2631 [REDACTED]

2632 [REDACTED]

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2723 . I am going to ask you about some other names, and

2724 ask you whether you know these names, and as I ask you these

2725 questions, during the time that you were down there, not

2726 what you may have learned about any since you got back.

2727 . Donald Gregg, G-r-a-g-g?

2728 . A No.

2729 . Q John Singlaub?

2730 . A No, I am referring all this to as a time I was

2731 actually involved in that time zone.

2732 . Q Right, not since then?

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2733 . A Like some of these names came out later on, after I
2734 was in prison.

2735 . Q A P. J. Blackler?

2736 . A No.

2737 . Q Robert Owen?

2738 . A No.

2739 [REDACTED]

2740 [REDACTED]

2741 . Q Okay, you were paid during this time by the wire
2742 transfer method, is that correct?

2743 . A Correct.

2744 . Q Let me get up to the day that you were shot down.

2745 You have described the flight to us when we had the map out,
2746 so I won't go through that again.

2747 . Who are the other members of the crew?

2748 . A When we were shot down that day, William J. Cooper,
2749 Buzz Sawyer, and one of the contra radio operators and
2750 myself.

2751 . Q And do you remember what you had aboard?

2752 . A Our cargo consisted of jungle boots, ammunition, RGP-
2753 7 ammunition, and AK-47s.

2754 . Q Okay, was it approximately 10,000 pounds?

2755 . A Correct.

2756 . Q What time did the flight leave?

2757 . A Approximately 8:00 in the morning, a little after 8.

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2758 . Q This was not to be a night flight?

2759 . A No, definitely a day flight.

2760 . Q What time of the day were you shot down?

2761 . A It was 12:40, 12:38 exactly.

2762 . Q I am not going to dwell on this, but after you were

2763 shot down, how long was it before you were captured?

2764 . A It was just about 24 hours.

2765 . Q Okay, during the period of time that you were

2766 imprisoned, I assume that you were questioned fairly

2767 frequently?

2768 . A Correct.

2769 . Q Are there particular people that the Sandinistas

2770 were asking you about, about whether you were involved?

2771 . A They were coming up with names neither of us heard,

2772 mainly on Latin contra side [REDACTED] their

2773 Department of Interior probably knew or suspected of

2774 different things.

2775 . Q Did they ask you about Americans?

2776 . A They asked like Singlaub, Secord, anything that was

2777 elaborated from United States news media or which their own

2778 information had.

2779 . Q Do you remember anybody else other than Singlaub or

2780 Secord?

2781 . A There probably was, but I really forget over this

2782 time period.

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2783 . Q I can understand. I am sorry, let me go back,
2784 another matter I wanted to ask about.
2785 . There was some report about a meeting that took
2786 place around August 8 of 1986 where Gomez and Medina met
2787 with the crew. Were you at that meeting?
2788 . A August 8. It could very well be. Where was it
2789 supposedly to happen?
2790 . Q It sounded to me as if it was a pep talk kind of
2791 thing.
2792 . A There was one in House Number 3, at one time they
2793 came up and said, okay, the operation is closed down, pack
2794 your bags, it is all over with, boys. Later on, Gomez and
2795 Medina came up, well, it is back on, guys, we got to be
2796 freedom fighters, we got to do this stuff for nothing.
2797 Everybody looked at him like he was crazy.
2798 . Q How long was it between the two meetings?
2799 . A What do you mean?
2800 . Q I got the impression they said, we are done.
2801 . A This was about the same day. We were at [REDACTED]
2802 Poor Cooper, he really went through a lot, really a
2803 patriotic individual, trying to turn this thing into a
2804 situation that would work.
2805 . One of his statements always was, we are going to
2806 win this one for a change, and the input that he would get
2807 from his telephone calls to the States, or wherever, and the

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2808 people he knew there, he would come and he would try and
2809 tell us something, and before he knew it, it would change
2810 after he told us, so you know, he quit knocking--he was going
2811 crazy.

2812 . Q Did you know, you were ultimately released for
2813 Senator Dodd, is that correct?

2814 . A Correct.

2815 . Q Did you know him before?

2816 . A That was the first time I ever met the gentleman.

2817 . Q Do you know why it was that you were released to
2818 him?

2819 . A Politics.

2820 . Q Did the Sandinistas tell you anything about why you
2821 were released to him?

2822 . A No, however it happened, I don't know.

2823 . Q Did there come a time they told you you were going
2824 to be released?

2825 . A They told me from the first day I was captured, I
2826 was going to be released.

2827 . Q Did they tell you that you would be released after a
2828 trial?

2829 . A They told me there was going to be a trial. I would
2830 be found guilty. I would be released, and underneath the
2831 conditions I followed and did what they said.

2832 . Q So they told you from the very beginning that you

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2833 would be released?

2834 . A Yes, if you could believe one way or the other what
2835 they meant, yes.

2836 . Q Okay, is there anybody else who worked with you down
2837 there who you think it would be helpful for us to talk to,
2838 who might have more information than you, or different kinds
2839 of information?

2840 . A I don't like to point fingers or anything, but for
2841 the best of this whole thing, if you got a hold of [REDACTED]
2842 [REDACTED] or [REDACTED] these two people could give you
2843 more than anybody else, because they were in charge of the
2844 office there more than anybody else.

2845 . Q Now about [REDACTED]

2846 . A Yes, he would be another curious individual, because
2847 he is curious to me. He is a stout man that was very bull-
2848 headed about a lot of things. Somebody else hired him, he
2849 would be very helpful, and it would show another light
2850 anyway.

2851 . You can have that if you so desire. This last name
2852 I put on the bottom, that is just where I received the W-2
2853 form.

2854 . Q Is there anybody else other than who you mentioned
2855 who would be helpful for us to talk to?

2856 . A They would be the main kingpins.

2857 . Q Is there anything else you would like to tell us

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2858 about your experience that you think would be helpful?

2859 . A I can't think of any, unless somebody stimulates it

2860 with a question or something.

2861 . MR. EGGLESTON: I think I am done with my questions.

2862 . MR. VAN CLEVE: Would you like to take a three-

2863 minute break here, and then I have some questions.

2864 . [Recass.]

2865 . MR. EGGLESTON: I just have a few more questions to

2866 ask, having just had a chance to review some notes.

2867 . BY MR. EGGLESTON:

2868 . Q You had indicated that much of your material that

2869 had been in your room, and of course, everything that was

2870 with you at the time you were shot down had been taken from

2871 you. How did you get this back?

2872 . A That was left in there, because there is nothing

2873 really that important in there.

2874 . Q This was left in your room?

2875 . A That was in my briefcase, yes, the briefcase, I had

2876 like my passport was in there, all my tickets, general stuff

2877 anybody would accrue there, all those writings I had.

2878 . Q This was left behind in your room?

2879 . A All my personal belongs were left in the room.

2880 . Q You testified you eventually received them.

2881 . A Yes, most of those phone numbers in there--in fact, I

2882 even had a phone book, so you would have access to different

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2883 numbers.

2884 . Q Let me just, while I am here, this is Exhibit EH-6,
2885 and I am referring to one of the last pages, phone from USA
2886 to [REDACTED] and it lists some numbers, this is the phone
2887 number of House Number 3, and the number you read off?

2888 . A Correct.

2889 . Q This is the number for Ramon?

2890 . A Yes, this here I marked down myself, which I relayed
2891 to my wife, I gave her back in Wisconsin there, at any time
2892 if she wanted to call me direct, all you would have to do is
2893 phone from USA to [REDACTED]
2894 and you have Casa Number 3, and if nobody was there, the
2895 maid or something, you could call [REDACTED] which
2896 would give you Ramon's casa.

2897 . That is what that is mainly for.

2898 . Q I have understood that [REDACTED] might have
2899 collected some personal belongings of various people after
2900 the operation was closed down, after October 4th. Did you
2901 receive anything back from [REDACTED] return anything to your
2902 family?

2903 . A When I came home myself after this, there was a
2904 couple boxes in my house that was delivered, and it just had
2905 my address on it with SAT stickers on it, and it was back
2906 there, all my personal belongings, except when I went
2907 through my attache case, I was curious about these phone

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2908 numbers like Langton and the numbers Cooper gave me, which
2909 turned out to be all SAT numbers, stuff like that.
2910 . Q They are all gone?
2911 . A Yes, and my return tickets [REDACTED] to Miami was
2912 gone.
2913 . Q I had asked you, and you have testified about
2914 signing a contract with Corporate Air Services. Where did
2915 that signing take place?
2916 . A It was in a restaurant somewhere in Miami.
2917 . Q Who was present?
2918 . A [REDACTED] Cooper and myself.
2919 . Q Okay, and so you, [REDACTED] all signed
2920 contracts at the same time?
2921 . A Correct.
2922 . Q This was sometime in the period between July 7 and
2923 July 9 of 1986?
2924 . A Yes, I would say that was July 8, and there was--it
2925 was redone back again in [REDACTED]
2926 . Q It is my understanding that Southern Air Transport
2927 was making eight flights of non-military aid down to
2928 [REDACTED] did that happen during the course of the time you
2929 were there?
2930 . A I don't recall or remember any such thing. The only
2931 thing I remember about Southern Air Transport doing anything
2932 was maintenance on the aircraft.

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2933 . Like I said, that jet was being replaced, because it
2934 had a bird strike it in the air, so they had to replace a
2935 jet. That is why that was there and the communications
2936 equipment, stuff like that on it.

2937 . Q You don't recall Southern Air Transport ever flying
2938 down directly?

2939 . A No, I do not. It was never there. I know Southern
2940 Air Transport came in there, because at one time, to bring,
2941 oh, there was a couple, like an extra engine, a bunch of
2942 other parts, and some other stuff they brought down there
2943 earlier, a C-130 flew in there and dropped off some of the
2944 equipment.

2945 . Q That was before you were there?

2946 . A Much before I was there, yes.

2947 . Q During the period of time that you were there, was
2948 the plantation still being developed or had they already
2949 decided to abandon the plantation?

2950 . A No, it was already abandoned by the time I got
2951 there.

2952 . Q Do you know where the funding came from for the
2953 plantation, anything about the development of the
2954 plantation, whose idea it was?

2955 . A The only thing I heard, that it belonged to some
2956 American. That was the only thing, the real estate itself.

2957 . Q You don't know who the American was?

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2958 . . A No.

2959 . Q Let me ask you about the ammunition boxes, the

2960 military boxes, were they in any language other than

2961 English. [REDACTED]

2962 . A No, to the best of my knowledge, I have never seen

2963 any boxes that come out with actually English written on

2964 them saying, well, this is hand grenades; all numbers, color

2965 codings, different things on different boxes saying, okay,

2966 like it might be, whatever the number is for fragmentation

2967 grenade.

2968 . It is on there, plus like a little gray, with a

2969 black and a yellow stripe on it. This designates hand

2970 grenades, fragmentation type.

2971 . Q Did you know a man by the name of Charles Tyson?

2972 . A Tyson?

2973 . Q Do you know a man by that name?

2974 . A Tyson rings a very good bell.

2975 . MR. FLEGER: There is a Donald Tyson with the

2976 Embassy in Managua.

2977 . BY MR. EGGLESTON:

2978 . Q Did you know him before you were shot down?

2979 . A No, Embassy Counsel.

2980 . Q How about Sam Waters, is that a familiar name?

2981 . A No, it is not.

2982 . Q The gasolina, gassing up these planes was a constant

*Watson?***UNCLASSIFIED**

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2983 requirement. Where did you obtain the gasoline to gas up
2984 the planes?
2985 . A Gas was obtained [REDACTED]
2986 It was purchased per flight.
2987 . Q Who actually did the purchasing?
2988 . A Ramon or Max Gomez would actually pay for it.
2989 . Q Paying cash?
2990 . A Paying cash for it.
2991 . Q Were there ever times when they got the gas on
2992 credit?
2993 . A I have heard there might have been, yes, but it
2994 wasn't a thing that they allow.
2995 . Q [REDACTED] wanted to get paid in cash?
2996 . A Correct, if you didn't have the cash, no gas.
2997 . Q But the people who made the purchases would either
2998 be Gomez or Ramon?
2999 . A Correct.
3000 . Q How about Rafael Quintero?
3001 . A No, that wasn't his game down there. That was
3002 mainly Ramon, that was their job.
3003 . Q On each occasion, would they be the ones who would
3004 appear with the cash to pay?
3005 . A I never say anybody come across and pay anybody any
3006 money.
3007 . Q Do you know where [REDACTED] is?

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3008 . A I believe he lives in Georgia or somewhere down
3009 south. He is a retired warrant officer of the United States
3010 Army. He was, in parachute rigging, stuff like that. [REDACTED]
3011 [REDACTED]
3012 . I never got his address. There is other people's I
3013 have.
3014 . Q [REDACTED] was there when you got there.
3015 . A Correct.
3016 . Q Do you know when [REDACTED] arrived?
3017 . A No, but I believe he was there before Cooper and
3018 everything. He was there for quite a while.
3019 . Q Meaning as early as the beginning of 1986?
3020 . A This could be, I couldn't put a direct time on it.
3021 . Q How long after you got there did he leave?
3022 . A I believe he left the beginning of August, somewhere
3023 in that time period.
3024 . Q What was his job again?
3025 . A He was mainly according to Cooper hired through Gadd
3026 as a rigger, mainly, but he flew on the aircraft.
3027 . MR. PLEGER: You said that you saw color coding and
3028 numbers on these boxes. I am not sure whether you said you
3029 say no words, English, or other words on the box?
3030 . MR. HASENFUS: It might say numbers like lot, like
3031 all military. Everything goes off number. There is never a
3032 name for it. Everything is by number. If you don't know

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3033 the number, you are lost.

3034 . MR. PLEGER: All right.

3035 . BY MR. VAN CLEVE:

3036 . Q Let me start by saying we appreciate the fact that

3037 you are willing to be helpful to us. I will try not to make

3038 this any longer than it needs to be. Mr. Eggleston has

3039 covered a fair amount of ground we would want to want, but

3040 there are a few additional questions by way of clarification

3041 that I would like to ask.

3042 . Taking you back to early July 1986, I believe that

3043 it was your testimony that you flew to Miami on your way

3044 down to [REDACTED] is that correct?

3045 . A Yes, from Marinette, Wisconsin, via Green Bay, to

3046 Miami.

3047 . Q You were met at the airport by Bill Cooper?

3048 . A Yes.

3049 . Q If I understood you correctly, shortly after that,

3050 you had a meeting with Mr. Cooper, [REDACTED] and another

3051 individual?

3052 . A [REDACTED] came in on another flight, yes. [REDACTED]

3053 [REDACTED] came in on another flight, but we didn't meet him at

3054 the airport, because we missed him. We met him back at the

3055 Holiday Inn.

3056 . Q Sometime after that, you went out to a restaurant?

3057 . A Yes, we went out and had dinner, a couple after-

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3058 dinner drinks, and stuff.

3059 . Q Was this the same day that you reached Miami?

3060 . A No, [REDACTED] and I and Bill talked for a while. Later on

3061 in that evening, we met up at the Holiday Inn, top floor,

3062 had a small late snack and talked a little bit; and the next

3063 day, we all went out to Southern Air Transport and we

3064 mingled around, and Bill was asking us what we needed on the

3065 aircraft.

3066 . Q Was it that day or the day before that you signed

3067 the contracts with Corporate Air Services?

3068 . A I got there the 7th, so that would be the 8th.

3069 . Q After you went to Southern Air Transport, you went

3070 out together again?

3071 . A Throughout the next day, we had breakfast, lunch and

3072 dinner together, yes.

3073 . Q What I wanted to do, you went to dinner and it was

3074 at that point that Cooper asked you to sign contracts with

3075 Corporate Air Services?

3076 . A Yes, at one of the lunches, I believe lunch on July

3077 8 that would have been.

3078 . Q Okay, can you tell us again, so I have this clear in

3079 my mind, exactly what was said to you about who it was you

3080 were going to be working for?

3081 . A He said, the exact word out his mouth, coming out

3082 exactly like we worked before with Air America which we

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3083 worked all government, under different contracts, and he
3084 said it is the same thing.

3085 . We are working directly right here for the U.S.
3086 Government. He didn't specify or anything. He says it is
3087 right for the White House, everything is right out of there,
3088 because [REDACTED] and I both reiterated ourselves on this a couple
3089 of times, to make sure who we were really working for and
3090 knowing Bill for a long time, I had a lot of trust in him,
3091 and working, SAT being in there again, it seemed to all fit
3092 together, the same picture.

3093 . Q I see. I appreciate that, and if I understood you
3094 correctly, Cooper told you that the paperwork with Corporate
3095 Air Services as a front, came right out front?

3096 . A Yes, as a front, definitely yes.

3097 . Q That was his statement?

3098 . A Yes.

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3155 RPTS BOYUM

3156 DCNN STEVENS

3157 . Q If I understood you correctly, you said that on
3158 several occasions William Cooper told you that the operation
3159 that he worked in was being directly run out of the White
3160 House?

3161 . A Correct.

3162 . Q Did he ever say "I just got a phone call from the
3163 White House"?

3164 . A He never came out and made any bold statements like
3165 that, no.

3166 . Q Did he ever say "I have got orders from the White
3167 House"?

3168 . A No, he never said that, no.

3169 . Q Did he ever say "Our friends in the White House
3170 want us to do this or to do that"?

3171 . A No.

3172 . Q Did he ever show you any kind of paper that he
3173 suggested was instructions from the White House?

3174 . A Whatever came in and how we ever operated through
3175 his scrambler or whoever he talked to, he kept quite well to
3176 himself. He did a good job on that, I would say.

3177 . Where it all came from, who exactly these addresses
3178 were likely will reiterate would come from these phone
3179 numbers a lot of them. What that would actually mean, I

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3180 don't know either.

3181 . Q Sure. But he never said anything to you?

3182 . A He never came out and said directly on that is a
3183 presidential order, no, he never said anything like that.

3184 . Q He never gave you any specifics at all? He made
3185 statements like the ones you describe, but he never gave you
3186 specifics that you could tell us?

3187 . A Whatever he had there he wouldn't come out and tell
3188 us anything directly like this phone call that came from
3189 this individual here or this person, he just made mention to
3190 keep us in confidence that we were working for our
3191 government.

3192 . Q Okay. Have you known him for a fairly long time?

3193 . A I have known him since 1966.

3194 . Q Do you have any reason to think that he would keep
3195 information from you?

3196 . A If it had anything to do with our life, he would
3197 not keep it. He would help us the best way he could, but
3198 any other involvement in this operation to keep it going,
3199 you know, he would protect that operation to the best he
3200 could. That would be not giving us any of this information
3201 unless it would be on a very "to know" basis.

3202 . Q Okay. Did he ever, while you were down in Central
3203 America, have contact with anyone that you thought was an
3204 employee of the Central Intelligence Agency?

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3205 . A No, there was no direct contact with us. Like I
3206 say, over there there was the military group, many people
3207 running around. [REDACTED] in itself is a fairly good size,
3208 not a huge air base or anything but the amount of Americans
3209 in it stood out and especially your embassy, they really
3210 stood out.

3211 . Q But in terms of your work and your operation, did
3212 you have any contact with them?

3213 . A Nobody would come near our group, the military
3214 group would drive by and probably nod a head or something,
3215 but, no, you know, a C-130 from the National Guard would fly
3216 by or C-141s would fly by, they could see us loading them
3217 and they would look out like somebody would wave back, but
3218 as far as any CIA agent coming out and making any direct
3219 contact with us--if one did, I wouldn't know who it was
3220 really, though.

3221 . Q Sure. Okay. If I recall correctly, you were
3222 captured by the Nicaraguan forces on October 6, 1986, is
3223 that right?

3224 . A Caught by, captured by the Sandinistas.

3225 . Q By the government forces.

3226 . A Yes.

3227 . Q October 6, 1986.

3228 . A Correct.

3229 . Q Okay. And you were released when?

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3230 . A December 17.

3231 . Q So you were held, if my arithmetic is right, about

3232 two-and-a-half months?

3233 . A Yes.

3234 . Q Can you tell us where you were held?

3235 . A I was held--starting off it was at El Caipote. I

3236 got it written down here. El Caipote prison right in

3237 Managua. Of course, it is very close security prison where

3238 they don't let you even see daylight.

3239 I was held there until the latter part of October which I

3240 was, when a trial started for the tribunal. Then I was

3241 transferred over to Petopa prison.

3242 . Q In general terms, how were you treated during your

3243 confinement?

3244 . A Later on in confinement I was given a separate cell

3245 to myself which they made especially, it was an office and

3246 they turned it into a cell. Not an office as we know

3247 offices, but that was it. I was put in with another Luther,

3248 Joseph Luther, who also carried an American passport.

3249 I believe he was a double agent myself. But they took

3250 care of me to a pretty good degree. They wanted any contact

3251 that I made with any media or anybody else to be favorable.

3252 Sociologically, they set me up much different than any

3253 other prisoner would have been set up.

3254 . Q Were you ever physically threatened in any way

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3255 during your confinement.

3256 . A Only in the beginning.

3257 . Q Could you elaborate?

3258 . A When I was first captured, a lot of them threatened

3259 they would kill me on the spot and things like this. But

3260 that goes without saying really.

3261 . Later on when I was brought into Managua, the army

3262 had me first--their first questioning period came by then and

3263 they played the game pretty rough the first day, but later

3264 on, maybe 2:00 or 3:00 in the morning, they slacked off and

3265 they started getting a little more humane and they just sat

3266 down and talked then.

3267 . Q When you say they played pretty rough, could you be

3268 a little more specific?

3269 . A Well, when you were first brought in there you were

3270 handcuffed, as tight as they could get them behind your

3271 back, you were told not to move and if you moved a little

3272 they would come and stomp on your toes and stuff like that.

3273 You had to look at the ceiling and if you twisted your eyes

3274 they would kick you and stuff like that. And you would have

3275 to answer questions and this went for hours.

3276 . Otherwise, you have to stand against the wall,

3277 off balance with your head on the wall. At one point I had

3278 to have the handcuffs loosened because I would have lost

3279 fingers or something because the circulation was cut off.

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3280 They were so tight I thought they would have to cut them off
3281 because you have to make them go tighter before they
3282 release.

3283 . But as I say, some time in the morning, whatever
3284 time it was, that ceased. Whatever happened there
3285 politically, if something else came in and told them not to
3286 do it any more or what, I don't know.

3287 . Q During the time you were confined, were there any
3288 other types of threats made against you or your family or
3289 anything like that?

3290 . A No. There was never no threats. The only threats
3291 that were made if you don't cooperate with us you will get
3292 30 years or more, you know, we can't be responsible for
3293 different things like this.

3294 . Q What did cooperation mean?

3295 . A You either go along and say what they want, in
3296 content, or you are going to stay here, you are ours. You
3297 know, that is duress, really, what it is.

3298 . Q Did they tell you what they wanted you to say?

3299 . A When I wrote out this statement that I have here,
3300 there is parts--

3301 . Q Let the record show that the witness is referring
3302 to committee exhibit number 2.

3303 . A It is my handwritten one. They were coaching all
3304 the way through, you are going to say it this way, this is

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3305 the way we want it said, different things like that. Like
3306 when you would say we dropped, then the words have to be put
3307 in there that you were dropping to the enemy, you know, of
3308 the Sandinista government known as the FDN and stuff like
3309 that.

3310 . That was put in there so when the statement was put
3311 in there it was very clerical.

3312 . Q So they told you specifically what they wanted you
3313 to say in that confession itself?

3314 . A Yes.

3315 . Q Would you say--could I have it?

3316 . You feel we don't have a very legible copy of this
3317 exhibit, but it runs about four pages.

3318 . A When it came out to words like CIA, they had to be
3319 in there in bold print, they wanted that stuff.

3320 . Q How much of this statement were you told to put in
3321 before you signed it? Roughly, half of what is in here
3322 maybe?

3323 . A A good one-quarter of the text had to be worded
3324 this way as they said. The rest is fill from start to
3325 finish.

3326 . Q I understand. Including specific references to
3327 drop zones?

3328 . A To the drop zones and CIA. Air America was really,
3329 you know, it was really brought out and flaunted quite well

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3330 because before I wrote some of this stuff, some of it, Mike
3331 Wallace had his field day with me. I never had a chance.
3332 He was the first American I really had a chance to sit down
3333 and talk to. Donald Tyson sat across like you and I for a
3334 matter of a few minutes, but he couldn't say anything and I
3335 couldn't say anything.

3336 . So when Mike Wallace came in we more or less talked
3337 a little bit and he sounded like I am going to really help
3338 you, let's get something going and he got out there and
3339 really pounded on me and caught me off guard and I didn't
3340 know what I was saying really.

3341 . In between this, these guys said this is what you
3342 are going to more or less say, and it will involve the CIA
3343 and Wallace didn't help me a little bit. If you watched
3344 Sixty Minutes, what he is saying you can just about--he asked
3345 me a question and answered it at the same time. He just
3346 followed suit.

3347 . Q So if I understand your testimony correctly, it is
3348 that the substance of the confession that you prepared and
3349 signed while you were in prison was essentially dictated to
3350 you by the Nicaraguan authorities; is that correct?

3351 . A Correct.

3352 . MR. FLEGER: May I clarify this, Gene? You mean
3353 the substance of it or the way things were worded or certain
3354 things they insisted to include just so that we are clear.

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3355 . MR. VAN CLEVE: I understand.

3356 . THE WITNESS: What I am talking about here is

3357 directly when we would come to a point I would say it out

3358 and start writing, they would say this is the way it should

3359 be printed. So there would be changes that way, like, yes,

3360 this was definitely to the opposite team, the FDM, who are

3361 our enemies and stuff like this, so that was put in there

3362 that I was dropping material that was in direct difference

3363 to them.

3364 . BY MR. VAN CLEVE:

3365 . Q And specific references to the activities of the

3366 CIA and connections with various individuals and so on?

3367 . A Yes, like when Air America was brought into it, it

3368 couldn't be Air America, it had to be CIA, I couldn't just

3369 say Air America.

3370 . Q You are free now and your only obligation before

3371 the committee today is to respect the oath that you took

3372 when you began your appearance here. Is there any statement

3373 that you made either in this confession or while you were in

3374 prison in Nicaragua that you would like to explain or re-

3375 consider or for that matter take back completely?

3376 . A There is nothing I said to you gentlemen here that

3377 I would change or take back at all.

3378 . Q I am referring to the statements you made while you

3379 were in prison.

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3380 . A Statements that I made in prison, some of this we
3381 went right through the tribunal and they came across and
3382 asked if this statement was true going through the tribunal
3383 and I reiterated that some of this stuff was hearsay. There
3384 is court records on that.

3385 . Like, okay, that Medina worked--that I knew
3386 personally that he worked for the CIA and stuff like that,
3387 they were trying to get that across. In the tribunal in my
3388 part I was asked a few times like, okay, who directly issued
3389 these ID cards?

3390
3391
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3393
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3397

3398 . Everything was changed around purposefully for the
3399 greatest propaganda thing they could put out.

3400 . Q I believe you were asked earlier whether you had
3401 ever met Senator Dodd before your release.

3402 . A That was the first time I ever met the man.

3403 . Q If I understood you correctly and I was surprised
3404 by this, I wanted to be sure I heard you correctly, you

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3405 testified that you were told pretty much from the beginning
3406 of your confinement that you were going to be released as
3407 long as you cooperated with the authorities; is that
3408 correct?

3409 . A That is what they told me. You can take that as a
3410 psychological thing or any way they wanted to use it on me.

3411 . Q Before you were released did there ever come a time
3412 when officials came to you and told you specifically we plan
3413 to release you?

3414 . A There was times, there were times they played many
3415 psychological games on me. Up in my cell many times many
3416 high ranking officers would come up and they would all take
3417 a look at their special subject inside and they would not
3418 really say much or anything and they would take me different
3419 places and pull silly games on me, psychological games. You
3420 didn't know sometimes they were taking you off to shoot you
3421 or what. You never knew when you stepped out a vehicle when
3422 you talked with other people, and it got a little scary at
3423 times.

3424 . Q Were you ever specifically told that that might
3425 happen?

3426 . A They said accidents could happen, very much so.

3427 . Q If I remember correctly, you said you were released
3428 on December 17.

3429 . A Yes.

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3430 . Q Of last year.

3431 . A Yes.

3432 . Q When did you actually find out you were going to be

3433 released?

3434 . A December 17.

3435 . Q Right before it happened?

3436 . A Just about at the same time they were releasing me,

3437 that is when I found out.

3438 . Q You had no warning?

3439 . A No warning or anything. What happened earlier that

3440 morning maybe about a half hour before I actually know this,

3441 the commander from Tippetopa himself came up there and he

3442 was talking about something and what was said was, okay,

3443 Luther told me that he was saying within two weeks you are

3444 going to be definitely released. It was set up so you can

3445 plan on that. I figured it was a bunch of talk. Then he

3446 left and like I say it was about 45 minutes later on he came

3447 back up again which surprised me, all of a sudden he said

3448 something to Luther in Spanish and he said you are leaving

3449 now, grab all your belongings. So that is how much of a

3450 surprise it was. Next thing I knew I was going through the

3451 corridors to his car and into Managua.

3452 . Q So the Nicaraguan officials were communicating to

3453 you through the other inmate?

3454 . A Nobody there at Tippetopa spoke English but Luther,

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3455 the individual that was my cell mate, he spoke pretty good
3456 English and Spanish very well, so he would translate for me.
3457 . Q So they would tell him something and he would tell
3458 you what they said?
3459 . A Yes.
3460 . Q Was there ever an interpreter present or did they
3461 almost always work through this individual?
3462 . A The only time there was an interpreter present was
3463 when most of the--of the higher echelon Sandinistas would
3464 come and see me. They had their own interpreters with them,
3465 military interpreters.
3466 . Q Did any of the Nicaraguan officials ever ask you to
3467 agree to make certain statements after you returned to the
3468 United States as a condition of your release from prison?
3469 . A No, they didn't, no.
3470 . Q Do you feel as though you have any obligation at
3471 all to the Nicaraguans in any way?
3472 . A No. I don't believe I do.
3473 . Q Okay. Is there anything else you would like to
3474 tell the committee about your confinement in Nicaragua and
3475 your treatment by the Nicaraguans, court proceedings,
3476 anything like that that you might like for the committee to
3477 know?
3478 . A Well, everybody, I am quite sure, remembers the
3479 court proceedings. They were pretty well publicized through

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3480 this whole thing and it was pretty one way. Everybody knows
3481 that. I don't think there is anything to talk about there.

3482 Then being confined in the beginning, like I said, at the
3483 first prison in Managua, things were kept very well and they
3484 played their psychological games with me and tried to do
3485 different things but basically they treated me with enough
3486 respect after they got to know me as one individual probably
3487 would treat another one, but I was given better treatment
3488 than any other prisoner there for the point being that if
3489 they were to abuse me enough there would be no sense, they
3490 would lose this point that they wanted to get across to make
3491 points around the world for their whole shot at this deal.

3492 Q Did you have any conversations with Senator
3493 Dodd--you were released into his custody; is that how it
3494 happened? I recall reading about it in the newspaper, but I
3495 don't know what actually happened.

3496 A Yes, we were released into his custody there.
3497 There was really no conversations. He didn't ask any--when
3498 we left there by his aircraft into Guatemala, he didn't ask
3499 any political questions or anything. He was just sort of
3500 happy to get us out of there. He didn't make any statements
3501 at all.

3502 Q Okay. So you really didn't have any conversation
3503 with him about what had happened while you were in prison?

3504 A No, he didn't get into anything like that really.

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3505 . 2 Okay.

3506 . MR. VAN CLEVE: Thank you very much. I appreciate
3507 your courtesy and your helpfulness.

3508 . MR. EGGLESTON: Thank you, Mr. Hasenfus.

3509 . THE WITNESS: The only question I have is Will I be
3510 called again to come down? Will there be future things?3511 . MR. EGGLESTON: Actually, I guess the deposition is
3512 over, you can go.3513 . MR. PLEGER: May I make a request on the record for
3514 a copy of the transcript, not at our expense, of course.3515 . MR. EGGLESTON: On that issue I just have not
3516 looked at the rules. I think the rules provide something
3517 about whether you get one or not. I am sure it is in the
3518 rules. I don't have any discretion one way or the other.

3519 . MR. PLEGER: Someone will let us know.

3520 . MR. EGGLESTON: Yes.

3521 . MR. PLEGER: With respect to reimbursement for the
3522 expenses for these folks and my own expenses, again, you are
3523 the man?

3524 . MR. EGGLESTON: I think I am the man.

3525 . MR. PLEGER: We send the bills directly to you?

3526 . MR. EGGLESTON: I just won't give you my home
3527 address.

3528 [Whereupon, at 1:20 p.m. the deposition was adjourned.]

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Committee Hearings
 of the
U.S. HOUSE OF REPRESENTATIVES



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1 RPTS SULLIVAN
2 DCMN SULLIVAN
3
4 DEPOSITION OF JONATHAN JACOB HIRTLE
5
6 Monday, July 13, 1987
7
8 House of Representatives,
9 Select Committee to Investigate
10 Covert Arms Transactions with Iran,
11 Washington, D.C.

12

13

14 The select committee met, pursuant to call, at 5:34 p.m.,
15 in room B-352, Cannon House Office Building, with Thomas
16 Fryman presiding.

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17 On behalf of the House Select Committee: Thomas Fryman,
18 staff counsel; R. Spencer Oliver, associate staff; Bill
19 Davis, investigator; and Kenneth R. Buck, assistant minority
20 counsel.
21 On behalf of the witness: Ralph N. Albright, Jr.,
22 Buchanan Ingersoll, 1667 K Street, N.W., Washington, D.C.
23 20006

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24 . MR. FRYMAN: Okay, would you swear the witness?
25 . Whereupon,
26 . JONATHAN JACOB HIRTLE
27 was called for as a witness and, having been duly sworn, was
28 examined and testified as follows:
29 . EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE:
30 . BY MR. FRYMAN:
31 . Q Would you state your full name for the record?
32 . A Jonathan Jacob Hirtle.
33 . Q And, Mr. Hirtle, what is your occupation?
34 . A Securities broker.
35 . Q And by what company are you employed?
36 . A Goldman, Sachs.
37 . Q Where are you employed?
38 . A Philadelphia.
39 . Q What is your position there? What is your title
40 there?
41 . A Vice president, securities sales.
42 . Q And how long have you held that position?
43 . A I was promoted to vice president about three months
44 ago.
45 . Q How long have you worked for Goldman, Sachs?
46 . A Five years.
47 . Q And throughout that period, have your
48 responsibilities generally been in the area of sales of

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49 securities?
50 . A Yes.
51 . Q Were you in the securities business before Goldman,
52 Sachs?
53 . A No.
54 . Q What were you doing before then?
55 . MR. ALBRIGHT: Off the record.
56 . [Discussion off the record.]
57 . MR. FRYMAN: Back on the record.
58 . BY MR. FRYMAN:
59 . Q Were you in the military prior to joining Goldman,
60 Sachs?
61 . A Yes.
62 . Q And you were in the Marine Corps?
63 . A Yes.
64 . Q And prior to service in the Marine Corps, were you
65 in school?
66 . A Yes.
67 . Q And where did you obtain your undergraduate degree?
68 . A Penn State.
69 . Q And what year was that?
70 . A Graduated in 1970.
71 . Q And do you have a graduate degree?
72 . A Yes.
73 . Q In what field?

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74 . A MBA in finance.

75 . Q And where did you obtain that degree?

76 . A Penn State.

77 . Q Mr. Hirtle, do you know a gentleman named Clyde

78 Slease?

79 . A Yes.

80 . Q How do you know him?

81 . A I met him--he worked for a client, and I met him

82 personally then. He lives near my home in western

83 Pennsylvania, and I have known him for three years.

84 . Q You met him connection with his work for a client

85 of yours at Goldman, Sachs?

86 . A Yes.

87 . Q And who is your client?

88 . A Richard Scaife.

89 . Q And what did you understand Mr. Slease's

90 professional relationship with Mr. Scaife to be?

91 . A Personal counsel.

92 . Q And you say you have known Mr. Slease for

93 approximately three years?

94 . A Correct.

95 . Q Now you say you have homes near each other in

96 western Pennsylvania?

97 . A Where I was raised in western Pennsylvania. My

98 parents live--it's near where he lives now.

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99 . Q That's in the Pittsburgh area?

100 . A Yes.

101 . Q But you have worked in Philadelphia for the past

102 three years?

103 . A Yes.

104 . Q Have you spent periods of time in western

105 Pennsylvania where you have seen Mr. Slease?

106 . A I do quite a bit of business in western

107 Pennsylvania, so I travel there quite often.

108 . Q And do you see Mr. Slease from time to time on

109 these trips to that area?

110 . A Yes.

111 . Q And you consider him a personal friend?

112 . A Yes.

113 . Q Is he also a client of yours?

114 . A He is.

115 . Q Now did there come a time when he contacted you

116 about soliciting funds for use in connection with Nicaragua?

117 . A I think it's unfair to say he contacted me. In

118 other words, we were in a conversation about Nicaragua, and

119 the situation arose.

120 . Q When did that conversation take place?

121 . A I would estimate August of---or July or August of

122 1985.

123 . Q What do you recall that he said to you?

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124 . A Simply that if I was interested in Nicaragua, that
125 he had people who were very knowledgeable about the
126 situation and be glad to introduce me to them.
127 . Q Where did this conversation occur?
128 . A I think that conversation occurred on the
129 telephone.
130 . Q How did the subject of Nicaragua come up in this
131 conversation?
132 . A There was a front page article in the New York
133 Times about General Singlaub, and it was just a topical
134 discussion.
135 . Q Did you raise the subject?
136 . A I may have. I don't remember.
137 . Q Now you recall that he said that he knew people who
138 were knowledgeable on the subject?
139 . A Yes.
140 . Q What else did he say?
141 . A I don't recall. I mean he may have said something
142 about money, but I don't remember that he said something
143 about money at the time.
144 . Q Well, did he ask you to do anything?
145 . A No.
146 . Q Did he ask you to meet with anyone?
147 . A What basically happened is that at some point we
148 did discuss raising money, and then he--I said to him that I

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149 don't want to raise money until I am fully--feel comfortable
150 that I am fully aware of what's going on; I want to be more
151 aware; I want to be briefed on the situation; and then he
152 said, "Well, if you need to be briefed," you know, "I'll
153 hook you up directly with the people who know the most."
154 . Q On how many occasions did you discuss this subject
155 with Mr. Slease?
156 . A Half a dozen, I'd say.
157 . Q Were they all on the phone, or were some face to
158 face?
159 . A All but one, I believe, was on the phone. He was
160 in Philadelphia one time, and we had a drink and discussed
161 it.
162 . Q Okay. Now can you distinguish each of these six
163 conversations, or do they flow together in terms of the
164 subject matter of the conversations?
165 . A They flow together.
166 . Q So at some point in these six conversations the
167 question of raising money came up.
168 . A I would say early. You know, before the second
169 meeting the question of money came up, and I would say that
170 the six meetings really is my estimation of how much--how
171 many conversations I had with Terry between the time I first
172 got involved and the time that the whole thing fell apart,
173 and so I talked to him six times, and we talked about it

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174 every time.

175 . Q All right. And the first conversation was in July

176 or August of 1985, to the best of your recollection.

177 . A Right.

178 . Q And when was the last conversation?

179 . A He called me when he was called before the

180 committee and said that he thought I might be called, so I

181 mean I've talked to him recently about it.

182 . Q And you consider that call one of the six?

183 . A Yes.

184 . Q Approximately six.

185 . A Hm-mm.

186 . Q Apart from that call, when was the last time you

187 discussed it?

188 . A I would say October of last year. I was

189 discussing--

190 . MR. ALBRIGHT: I think that answers the question.

191 . THE WITNESS: Okay.

192 . BY MR. FRYMAN:

193 . Q So there were approximately five or six discussions

194 with Mr. Slease on this subject between July or August of

195 1985 and approximately October of 1986?

196 . A Yes.

197 . Q And the first discussion was just prompted, you

198 believe, by your reading an article in the newspaper about

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199 General Singlaub?

200 . A Correct.

201 . Q And in that conversation Mr. Slease indicated that

202 he had some knowledge about the subject of Nicaragua and

203 knew people who were more knowledgeable than he was about

204 it. Is that correct?

205 . A That is correct.

206 . Q And then, shortly after the first conversation, if

207 it did not occur in the first conversation, he indicated to

208 you that--or he raised with you the subject of raising money

209 with regard to Nicaragua. Is that correct?

210 . A Yes.

211 . Q And he asked you to assist in raising money?

212 . A I think I might have said something like, "Well,

213 who's raising the money? I'll be glad to help," and he

214 said, "Fine."

215 . Q Did he say he was raising money himself?

216 . A Well, I'm not sure I understand the implications of

217 "raising money." I don't think he was sending money

218 himself, and I don't know that--in other words, I think he

219 was involved in introducing people who might give money to

220 people who were raising money; let's put it that way.

221 . MR. ALBRIGHT: I think, Mr. Fryman, you may want

222 the witness to understand that he shouldn't guess or

223 speculate. I mean he's here to tell you what he knows of

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224 his own personal knowledge, and I don't think it's fair to
225 ask the witness to guess or speculate about these things.
226 MR. FRYMAN: Well, I don't think my question did
227 ask him to guess or speculate.
228 BY MR. FRYMAN:
229 Q I'm really asking you what Mr. Slease told you that
230 he was doing.
231 A Terry never actually told me that he was--I never
232 was in a meeting with him where he talked to anybody about
233 raising money, and--but he did tell me that he had meetings
234 where he told me--where he talked to people about raising
235 money. So--
236 Q And in one of the early conversations he asked you
237 to raise money?
238 A Yes.
239 Q Now what did he tell you about the use to be made
240 of funds that he was asking you to raise?
241 A He was not really very specific about that, and
242 since--he left that up to later conversations, and so he did
243 not--he was not specific about that.
244 Q Did he mention [REDACTED]
245 A He did not.
246 Q When you say he left that up to other people, do
247 you mean other people that he was arranging to meet with
248 you?

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249 . A Yes.

250 . Q Did he specify any goal for your fund-raising, any
251 dollar amount?

252 . A Not that I recall. No.

253 . Q How do you have a colleague or associate at
254 Goldman, Sachs named Scott Miller?

255 . A I do.

256 . Q Did you work with Mr. Miller in the Philadelphia
257 office?

258 . A I did.

259 . Q During the period of time that you were meeting and
260 talking with Mr. Slease?

261 . A Yes.

262 . Q Did you discuss with Mr. Miller your conversations
263 with Mr. Slease, or any of them?

264 . A I would imagine that I did, but I cannot recall
265 specifically discussing a specific discussion with him.

266 . Q Did Mr. Miller participate in any of the
267 conversations with Mr. Slease?

268 . A Yes.

269 . Q Was he on the phone when you were talking with Mr.
270 Slease?

271 . A I don't remember specifically that he was, but it's
272 possible that he was. We sat next to each other, and it
273 would be reasonable that he was.

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274 . Q And I believe you indicated you had at least one
275 face-to-face meeting with Mr. Slease on this subject.
276 . A Yes.
277 . Q Did Mr. Miller--was he present at that face-to-face
278 meeting?
279 . A No, he was not.
280 . Q Do you know if Mr. Slease asked Mr. Miller to
281 assist in fund-raising with respect to Nicaragua?
282 . A I do not know.
283 . Q Now going back to the early conversation where he
284 raised with you the subject of raising money, you indicated
285 that you would like to learn more about the subject before
286 you did anything and you would like to talk to people more
287 knowledgeable about the matter.
288 . A Correct.
289 . Q What did he say in response to that?
290 . A He said that he would arrange for a meeting in
291 Washington.
292 . Q Did he indicate with whom you would be meeting?
293 . A I would meet with Roy Godson and Colonel North.
294 . Q Did those names mean anything to you?
295 . A I was acquainted with Colonel North from the Marine
296 Corps.
297 . Q You had known him previously?
298 . A I was just--I believe I met him once in Okinawa, but

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299 I am more familiar with his reputation.
300 . Q What was his reputation?
301 . A It was very strong, fast track, charismatic, very
302 positive reputation. When I heard his name, it made me be
303 more inclined to be involved.
304 . Q Do you know if Mr. Slease had been in the Marine
305 Corps?
306 . A I do not--no, I'm sure he has not been.
307 . Q Had Mr. Miller?
308 . A No.
309 . Q Had you heard of Mr. Godson?
310 . A No.
311 . Q After this, what we believe is the second
312 conversation where this discussion occurred, did Mr. Slease
313 then get back to you with the details about such a meeting
314 with Colonel North and Mr. Godson?
315 . A Yes.
316 . Q Did he get back to you promptly?
317 . A I think within a week.
318 . Q And did he arrange for such a meeting?
319 . A He did.
320 . Q And did a meeting occur?
321 . A It did.
322 . Q Where did it occur?
323 . A The Executive Office Building.

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324 . Q Who attended?

325 . A Roy Godson and myself met at Colonel North's office

326 with Colonel North.

327 . Q Did Mr. Slease attend?

328 . A He did not.

329 . Q And what date was this meeting?

330 . A August 28, 1985.

331 . Q Do you recall the time?

332 . A It was for 2 o'clock. Two o'clock in the

333 afternoon.

334 . Q Is that a copy of a calendar that you just referred

335 to?

336 . MR. ALBRIGHT: Off the record.

337 . MR. FRYMAN: Sure.

338 . [Discussion off the record.]

339 . MR. FRYMAN: Back on the record.

340 . BY MR. FRYMAN:

341 . Q Mr. Hirtle, would you read for the record the

342 notations in your calendar that relate to this meeting?

343 . A Under 28 August, Wednesday, it reads, "'1400.

344 Oliver North. 392 Executive Office Building. Roy Godson.

345 How do we handle payments?'"

346 . Q And Mr. Godson's name in the calendar is

347 misspelled. Is that correct?

348 . A That's correct.

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349 . MR. FRYMAN: I would ask that a copy of this page
350 of the calendar be produced, and it is satisfactory to me if
351 the other entries on this page which are unrelated to this
352 matter be redacted.

353 . MR. ALBRIGHT: That's agreeable.

354 . MR. FRYMAN: And will you produce that and send it
355 to me?

356 . MR. ALBRIGHT: Yes, I will.

357 . MR. FRYMAN: All right.

358 . BY MR. FRYMAN:

359 . Q Is that the only entry in your calendar, Mr.
360 Hirtle, that relates to the subject of your fund-raising
361 with respect to Nicaragua?

362 . A It is.

363 . Q And you have reviewed your calendar to determine if
364 there are any other entries?

365 . A I have.

366 . Q Do you have any other documents in your file that
367 concern Nicaragua?

368 . A I have a paper written by Thomas F. Dowling called
369 "Nicaragua: Misconceptions And Facts."

370 . Q And you have that with you today?

371 . A I do.

372 . Q And that indicates that it was prepared by the
373 Latin American Strategic Studies Institute and has a date of

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374 March 17, 1966. Is that correct?

375 . A That's correct.

376 . Q Is this the original copy that you have with you

377 today?

378 . A It's the original one that I received, yes.

379 . MR. FRYMAN: All right. I would ask that a copy of

380 this also be produced. Is that satisfactory?

381 . MR. ALBRIGHT: That is.

382 . BY MR. FRYMAN:

383 . Q Now apart from the page of your calendar that you

384 referred to and this paper prepared by Father Dowling, are

385 there any other materials in your file that relate in any

386 way to your fund-raising with respect to Nicaragua?

387 . A No--I would ask you to clarify what you mean by

388 "fund-raising," and, once again, because I never saw any

389 money, so I'm not sure that I was involved in fund-raising,

390 but I don't have any documents, period.

391 . Q Well, let me just broaden the question then. Do

392 you have any other documents in your file that pertain to

393 the subject of Nicaragua?

394 . A I do not.

395 . Q Now going back to the meeting on August 28, that

396 meeting, you have indicated, occurred at 1400 hours, or 2

397 p.m., I take it, in civilian terms. Did you come to

398 Washington that morning from Philadelphia?

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399 . A Midday, yes.

400 . Q You had, prior to this meeting, never met Colonel

401 North or Mr. Godson. Is that correct?

402 . A Correct.

403 . Q What were the arrangements for your contacting them

404 that day?

405 . A I was to go to the Executive Office Building, and I

406 had an appointment, and show up at Colonel North's office at

407 2 p.m., and, just to clarify, I don't recall specifically,

408 but I may have met Colonel North in Okinawa.

409 . Q All right. Maybe I misunderstood. I thought you

410 indicated you had heard of him in Okinawa, but it is

411 possible you met him briefly?

412 . A Right.

413 . Q All right. And I take it you did appear at

414 approximately 2 o'clock at the Executive Office Building.

415 . [Witness nods.]

416 . BY MR. FRYMAN:

417 . Q Did you meet with Mr. Godson before meeting with

418 Colonel North?

419 . A Just briefly. We waited together for the meeting,

420 so perhaps 15 minutes while we waited to go in to see

421 Colonel North.

422 . Q And did you introduce yourself to Mr. Godson in the

423 waiting area?

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424 . A I did.

425 . Q Now when Mr. Sleese informed you that he had set up
426 this meeting with these two individuals, what did you
427 understand was to be the purpose of this meeting?

428 . MR. ALBRIGHT: Do you mean what was he told or what
429 opinion did he have? because I don't think it's proper to
430 inquire as to his opinion.

431 . MR. FRYMAN: I think it is. What is improper about
432 that?

433 . MR. ALBRIGHT: I don't think you're entitled to
434 inquire as to his opinion. He is a fact witness.

435 . MR. FRYMAN: Well, I think his state of mind at the
436 time he went to this meeting is a fact.

437 . MR. ALBRIGHT: Well, if you are asking his state of
438 mind, that is one thing; if you are asking personal
439 opinions, that's another. I have no problem with your
440 inquiring about what facts he knew, what his understanding
441 was based on if he had such an understanding.

442 . MR. FRYMAN: Well, I think the question was his
443 understanding of the purpose of the meeting, which I think
444 goes to his state of mind as to what was going to be the
445 subject of the meeting.

446 . MR. ALBRIGHT: With that understanding, you can
447 answer it.

448 . THE WITNESS: To inform me about the situation in

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449 | Nicaragua, a briefing, information meeting, informative
450 | meeting, an information process.

451 | . BY MR. FRYMAN:

452 | . Q All right. Did you also understand that the
453 | subject of fund-raising was going to be raised at this
454 | meeting?

455 | . A Well, that goes into another question. The fund-
456 | raising was not necessarily--I mean the meeting really was
457 | with Colonel North. Roy Godson shepherded me into the
458 | meeting. He was the one that took me in, because he was
459 | really Terry Slease's contact. Colonel North never raised
460 | the issue of fund-raising.

461 | . Q No. My question, Mr. Hirtle, is directed to your
462 | understanding prior to the meeting as to the subjects that
463 | were going to be raised at the meeting, and my question is,
464 | did you understand in advance that the question of your
465 | raising funds was a matter that was going to be discussed at
466 | this meeting that had been arranged by Mr. Slease?

467 | . A I don't recall specifically, but since I have in my
468 | book under Godson's name, "'How do I handle payments?'" I
469 | assume it must have been.

470 | . Q And that note was in your calendar prior--you made
471 | that note prior to the date of the meeting?

472 | . A Yes.

473 | . MR. FRYMAN: Off the record.

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474 . [Discussion off the record.]

475 . MR. FRYMAN: On the record.

476 . THE WITNESS: I'm not sure. In thinking, it's

477 possible that I wrote the "How do we handle payments?"

478 after coming out of the meeting, in thinking, after you

479 asked me the question.

480 . BY MR. FRYMAN:

481 . Q All right. Now you spoke in the waiting room with

482 Mr. Godson for a period of time before you went in to see

483 Colonel North.

484 . A Correct.

485 . Q And the duration of that session was how long?

486 . A Fifteen minutes.

487 . Q Fifteen minutes. What did you and Mr. Godson

488 discuss during this preliminary meeting?

489 . A How I knew Terry Slease, how Roy knew Terry Slease,

490 just social things, how we got to know each other, and the

491 fact that I had been in the Marines, and I remember

492 specifically that he mentioned at that point that I was not

493 to discuss anything about money in front of Colonel North.

494 . Q Did he tell you why?

495 . A He didn't say specifically, but he alluded to the

496 fact that that was something that was not appropriate for

497 him to discuss because of his role in the Government.

498 . Q Did that surprise you?

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499 . A It did not surprise me that a colonel in the Marine
500 Corps couldn't be involved in raising money from
501 individuals.

502 . Q Was there any discussion about what money was being
503 raised for at this point? .

504 . A I don't recall when the specifics came up.

505 . Q You don't recall if it came up before going in to
506 see Colonel North.

507 . A Right.

508 . Q So what you specifically recall were your service
509 in the Marine Corps, your acquaintanceship and Mr. Godson's
510 acquaintanceship with Mr. Slease, and a directive from Mr.
511 Godson to you not to raise the subject of raising money in
512 front of Colonel North.

513 . A Correct.

514 . Q Any other specific subjects?

515 . MR. ALBRIGHT: He already told you there were
516 social discussions.

517 . BY MR. FRYMAN:

518 . Q Well, I thought that--that related to your knowledge
519 of Mr. Slease, I thought. Is that correct.

520 . A Right. As far as I remember, that's it.

521 . Q Okay. So then you and Mr. Godson go into Colonel
522 North's office, and how long do you spend in his office?

523 . A Forty-five minutes or an hour.

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524 . Q Just the three of you?

525 . A Yes.

526 . Q Does he do most of the talking?

527 . MR. ALBRIGHT: Who's 'he'?

528 . MR. FRYMAN: Colonel North.

529 . THE WITNESS: Yes.

530 . BY MR. FRYMAN:

531 . Q Does he use any visual aids?

532 . A Yes.

533 . Q What?

534 . A A map of Nicaragua.

535 . Q Anything else?

536 . A No.

537 . Q Any slides?

538 . A No.

539 . Q What subjects does he cover in this 45-minute

540 meeting?

541 . A First of all, we introduced ourselves, talked about

542 common friends in the Marine Corps, and then he talked--asked

543 me what I knew about Nicaragua, and I said I didn't know

544 much, and he started with a thumbnail sketch of ancient

545 history in Nicaragua, and then I believe about early on

546 referred me to a book that I might read to bring me up to

547 speed, and then started talking about more recent history

548 since the revolution, and talked about how the contras were

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549 doing, what the significance of the successful--supporting
550 the contras was, focused on the idea that it would be
551 significant if a communist government was overthrown from
552 within, and it was important that, you know, we did not want
553 to use our own troops, and it was more important to us that
554 they did it on their own; talked about, you know, that the
555 contras were growing in size. He was enthusiastic about the
556 contras' prospects and very friendly.

557 . Q You mentioned he talked about his ancient history
558 in Micaragua.

559 . A No. Ancient history in Micaragua, meaning taking a
560 thumbnail sketch of when the Marines first went to
561 Micaragua, just, you know, five minutes bringing you the
562 last 50 years up to current history.

563 . Q All right. Did he say anything about weapons needs
564 for the contras?

565 . A He did not.

566 . Q Did he discuss

567 . A He did.

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BY MR. FRYMAN:

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Q Did he talk about any financial needs

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A He did not. I don't recall that he did. He just

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focused on the fact that they were doing their best to go on

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He didn't really talk

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about specifically whether they needed any money.

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Q Now in the meeting with Colonel North, did Colonel North indicate in any way the need for financial assistance to [REDACTED]

A No.

MR. ALBRIGHT: Tom, could we take a short break?

MR. FRYMAN: Sure.

[Discussion off the record.]

MR. FRYMAN: How was the subject of [REDACTED]

[REDACTED] raised in this meeting with Colonel North?

A There was an indication somewhere in the meeting

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649 that the contras were getting stronger and that that was
 650 providing a military pressure on the Sandinistas to react,
 651 and there was diplomatic pressure from the United States.

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Q Did he indicate that there had been difficulty with

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A He didn't talk about money, so I--no.

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Q The subject didn't come up at all?

671

A Not that I recall.

672

Q Did he talk about the need to expand

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674 . A As I recall, all the statements that would lead one
675 to believe that there was a need for money were left unsaid.
676 In other words, he didn't say anything like, "They really
677 need help [REDACTED]" He never said that; he
678 just talked about the situation.

679 . Q Okay. What did Mr. Godson say in this meeting?

680 . A Not much. He mainly listened.

681 . Q How did the meeting end?

682 . A The meeting ended in that there was a sense that
683 Colonel North was very busy, and he talked to Director Casey
684 once on the phone while we were there, and I just got the
685 sense that he was busy, and we got through the briefing, and
686 I felt I had to do some homework as far as reading
687 background on Nicaragua, and I felt like it was time for me
688 to leave. So I stood up and said I would do everything I
689 could, and he said, "I know you will," and we left.

690 . Q Now he referred to a book in this briefing?

691 . A He did.

692 . Q And what was that book?

693 . A Entitled "Revolution In The Family" By Shirley
694 Christian.

695 . Q Did he suggest you get a copy of the book?

696 . A He did.

697 . Q And did you?

698 . A I did.

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699 . Q Did you read it?

700 . A I did.

701 . Q So at some point in the meeting you got the sense

702 that Colonel North was busy, and the meeting came to a

703 close, and you and Mr. Godson walked out of the White House

704 complex.

705 . A Right.

706 . Q Is that correct?

707 . A Correct.

708 . Q What did you and Mr. Godson discuss after the

709 meeting?

710 . A Raising money. Basically, that if I knew anyone

711 who wanted to give money, that I should call Roy Godson.

712 . Q What did Mr. Godson say specifically about the need

713 for money?

714 . A The only thing--I do remember that he specifically

715 said that he was not--that we were not raising money for

716 arms.

717 . Q Did you ask about that?

718 . A I did.

719 . Q Why did you ask about that?

720 . A Because I was uneasy about raising money for arms.

721 . Q Why did you think that was a possibility?

722 . A Because it had been in the press, in the paper.

723 The original statement--the original article that led me to

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724 talk to Terry Slease was about General Singlaub raising
 725 money for arms.

726 . Q So he said this was not to be for arms.
 727 . A Right.

728 . Q Did he tell you other people were doing that?
 729 . A He implied--I don't remember if he told. He
 730 implied--I think he said, "That's not what this is for,"
 731 and I said, "You mean like General Singlaub's doing that?"
 732 and he said, "I think so," or, "Yes," or implied that he
 733 agreed with that statement.

734 . Q Anybody other than General Singlaub?
 735 . A I didn't go into it.

736 . Q Was Carl Channell mentioned?
 737 . A Not at all. I never heard the guy's name before
 738 this.

739 . Q So he said this would not be for arms.
 740 . A Correct.

741 . Q Apart from excluding arms as an object of the fund-
 742 raising, did he affirmatively indicate that anything was to
 743 be the object of the fund-raising?

744 . A He indicated that the money would be given to [REDACTED]
 745 [REDACTED]

746 . Q For what purpose?
 747 . A [REDACTED] In other words, that
 748 would be left up to the people in charge [REDACTED]

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749 . Q Did he tell you Colonel North had asked him to
750 raise money for [REDACTED]
751 . A He never said that.
752 . Q Who did he say had asked him to raise money for [REDACTED]
753 [REDACTED]
754 . A I don't remember that--I mean that doesn't--I didn't
755 ask him, "Who asked you to raise money?" He said that one
756 of the ways--I said, "Well, how can I help?" and he said,
757 "Well, specifically, we need money for [REDACTED]
758 [REDACTED]
759 [REDACTED]
760 [REDACTED] and
761 that sounded good to me, because I didn't want to buy
762 rifles. I didn't want to spend money--raise money to buy
763 weapons.
764 . Q Did he specify any amount that he would like you to
765 raise?
766 . A I don't have 100 percent recollection of that. I
767 believe he did, but I can't remember how much it was.
768 . Q A six-figure number?
769 . A I would say--six-figure?
770 . Q Over \$100,000?
771 . A Yes.
772 . Q Over a million?
773 . A No.

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774 . Q Did he tell you what to do with the money that you
775 raised at this time?

776 . A No. He said specifically--I don't remember when he
777 said it, but basically what happened was, if I found someone
778 who was interestad, I had that person call Roy Godson. So I
779 didn't do anything with the monay. I never saw any money.
780 I don't know that any money was raised.

781 . Q And after the session, you go back to Philadelphia?

782 . A Correct.

783 . Q What do you do with respect to following up on this
784 meeting?

785 . A I read "Revolution In The Family," and I start
786 talking to people when the occasion arises about Nicaragua,
787 and if they express interest in it, I say, "If you'd like
788 to learn more, I can introduce you to some people who know
789 more about it than I do."

790 . Q How many people do you talk to?

791 . A Total? I would say I talked to ten people total.

792 . Q Did any of them express an interest in learning
793 more?

794 . A Two.

795 . Q Who were they?

796 . MR. ALBRIGHT: Of the record.

797 . [Discussion off the record.]

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798 . MR. FRYMAN: On the record.

799 . THE WITNESS: If these two people were clients of
800 mine, I would be less likely to give their names, and I say
801 that only because I'm trying to separate this from the firm.
802 They are not clients of the firm, they are just
803 acquaintances of mine, and I always emphasized in any
804 discussion that this had nothing to do with my role at
805 Goldman, Sachs.

806 . BY MR. FRYMAN:

807 . Q Well, you can state that for the record, Mr.
808 Hirtle, but I do not accept, if you are suggesting that it
809 is your view, that if they were clients, that would give you
810 a basis for not identifying them. As far as I'm concerned,
811 you would have to identify them whether they were or were
812 not clients, but if you want to state that for the record,
813 fine.

814 . A Well, I would like to state for the record that at
815 some future date, if this point rises, and my attorney has
816 advised me that I really have no case--

817 . MR. ALBRIGHT: Don't get into that.

818 . I think he can answer the question on the two.

819 . THE WITNESS: I wanted to talk about something for
820 a minute. Can you turn that off?

821 . MR. ALBRIGHT: Off the record.

822 . [Discussion off the record.]

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823 . THE WITNESS: Don Meads, M-E-A-D-S; James Macaleer.
824 . BY MR. FRYMAN:
825 . Q How do you spell "'Macaleer'"?
826 . A M-A-C-A-L-E-E-R--E-E-R.
827 . MR. OLIVER: Could we go off the record for just a
828 minute, Tom?
829 . MR. FRYMAN: Sure.
830 . [Discussion off the record.]
831 . MR. OLIVER: Back on the record.
832 . BY MR. FRYMAN:
833 . Q How do you know Don Meads?
834 . A I have met him socially in Philadelphia. He's a
835 fairly well known senior executive in Philadelphia.
836 . Q By what company is he employed?
837 . A He is--he used to be the chairman of Certainteed
838 Corporation, and he is now--has his own company called
839 Philadelphia First, and he was a former chairman of the
840 World Affairs Council and president--whatever it is
841 called--and he is on the board of several corporations.
842 . Q Do you know where he resides?
843 . A I do not. Philadelphia.
844 . Q But he resides in the Philadelphia area?
845 . A Yes.
846 . Q And how do you know Mr. Macaleer?
847 . A He is also a prominent businessman in the

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848 Philadelphia area.

849 . Q Is he a social friend of yours?

850 . A Yes.

851 . Q As is Mr. Heads?

852 . A Yes.

853 . Q And by what organization is Mr. Macaleer employed?

854 . A Shared Medical Systems. SMS I guess their formal

855 name is now, Incorporated.

856 . Q "Sheraton" is the first word?

857 . A Shared--S-H-A-R-E-D--Medical Systems.

858 . Q And does he also reside in the Philadelphia area?

859 . A He does.

860 . Q Now these two individuals, after you spoke with

861 them, indicated an interest in learning more about

862 Nicaragua?

863 . A Yes.

864 . Q And did you also indicate to them that you were

865 speaking with an objective of raising money [REDACTED]

866 [REDACTED]

867 . A Yes.

868 . Q And they expressed an interest in contributing

869 money, or possibly contributing money, to [REDACTED]

870 . A I don't recall that at that point they said

871 anything about whether they would or wouldn't, but they just

872 said they were interested in hearing more about it.

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873 . Q Hearing more. So after they indicated this
874 interest, what did you do?
875 . A I got them a copy of "Revolution In The Family"
876 and scheduled a meeting for them with Colonel North.
877 . Q How did you do that?
878 . A I called Roy Godson.
879 . Q And you explained to him you had two potential
880 contributors?
881 . A I said I didn't know if they were contributors or
882 if they would just lead to someone else who was a
883 contributor, but I felt that they were prominent people and
884 worth while talking to.
885 . Q Okay. And what did he say?
886 . A He said, "Fine. Let's set up a meeting."
887 . Q And he called you back?
888 . A Yes.
889 . Q With a date and a time?
890 . A I believe at some point I started talking directly
891 to Colonel North's office to coordinate the meeting. So at
892 some point Roy got out of the loop.
893 . Q Did you talk to Fawn Hall?
894 . A Yes.
895 . Q And did you set up a meeting?
896 . A I did.
897 . Q And where was the meeting?

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898 . A In Philadelphia.

899 . Q The meeting occurred, I take it?

900 . A Yes.

901 . Q And it occurred in Philadelphia?

902 . A Yes.

903 . Q And do you recall the date?

904 . A I do not.

905 . Q Is that marked in your calendar?

906 . A It is not.

907 . Q Do you know why it's not marked in your calendar?

908 . A I'm not that thorough. It's not in there. I

909 looked at it.

910 . Q To the best of your recollection, when did it

911 occur?

912 . A I would think it occurred within two months after

913 my August meeting.

914 . Q Some time in the fall of 1985?

915 . A Correct.

916 . Q Where was it?

917 . A The Racquet Club in Philadelphia.

918 . Q Is that a squash club?

919 . A Yes.

920 . Q Do you play squash?

921 . A No. It's also got court tennis.

922 . Q Do you play court tennis?

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923 . A No. But it's unique that it has court tennis.
924 . MR. FRYMAN: Off the record.
925 . [Discussion off the record.]
926 . MR. FRYMAN: Back on the record.
927 . BY MR. FRYMAN:
928 . Q So a meeting occurred in Philadelphia at the
929 Racquet Club in the fall of 1985 with you, Colonel North,
930 Mr. Macaleer, and Mr. Meads.
931 . A Correct, although Mr. Meads and Mr. Macaleer were
932 not there at the same time.
933 . Q These were separate meetings?
934 . A Yes.
935 . Q Was Mr. Miller present?
936 . A He was.
937 . Q For the sessions with both of these individuals?
938 . A Yes.
939 . Q Anyone else?
940 . A No.
941 . Q Why was Mr. Miller present?
942 . A He was interested to hear the--he was really there
943 to hear the briefing that Colonel North was going to give
944 these people, that I had heard, that he had not heard.
945 . Q Was he assisting you in identifying prospective
946 contributors?
947 . A Not really.

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948 . Q Do you know if Mr. Miller knew Mr. Godson at this
949 point?

950 . A He did not know Mr. Godson at this point, nor did
951 he know very well Mr. Macaleer or Mr. Meads. Those were my
952 acquaintances, although I met Terry Slease through Scott
953 Miller.

954 . Q How long did these separate meetings last with Mr.
955 Meads and Mr. Macaleer?

956 . A Forty-five minutes to an hour.

957 . Q For each one?

958 . A Yes, although what happened was, Mr. Macaleer was
959 late, so the second meeting was shorter.

960 . Q Did Colonel North do most of the talking?

961 . A Yes.

962 . Q Was his presentation similar to his presentation to
963 you in Washington?

964 . A Yes.

965 . Q Did he cover anything else that he didn't cover in
966 Washington?

967 . A There had been some more Soviet arms build-ups
968 since I talked to him, and he detailed that.

969 . Q Did he ask for a contribution?

970 . A He did not, not when I was present anyway.

971 . Q Were you present during all of his meeting with
972 these two individuals?

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973 . A Not when--Mr. Macaleer drove Colonel North to the
974 railroad station, so there was a point in time when I was
975 not there.

976 . Q Did you have discussions with Mr. Meads and Mr.
977 Macaleer after their meeting with Colonel North?

978 . A Not immediately afterwards.

979 . Q Within a few days?

980 . A I believe I did.

981 . Q Did you ask them to donate money to [REDACTED]
982 [REDACTED]?

983 . A I did not.

984 . Q What did you say to them?

985 . A I said, "How did you like Colonel North?" "How
986 did you like the meeting?"--things like that. They said
987 they liked it and they wanted to think more about the
988 situation.

989 . Q What did you understand they meant when they wanted
990 to think more about the situation?

991 . A Well, I don't think either one of them had read the
992 book yet, for one thing, and I think they had just been too
993 busy, and this was sort of going to get them moving on
994 making a decision whether they wanted to be donors or not,
995 and I think, on Mr. Meads part, I think he was thinking of
996 other people that we could introduce people. I don't know
997 that he ever did introduce anyone, but I think that's one of

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998 the things he was thinking, and perhaps having a follow-up
999 presentation by Colonel North.

1000 . Q Okay. Did they get back to you about the subject
1001 of a contribution, or did either of them?

1002 . A Neither one of them got back to me on the subject
1003 of a contribution. At some point, I told them about Roy
1004 Godson. Now I'm not sure how--when or how I got that across.

1005 . Q What did you tell them about Godson?

1006 . A I remember specifically mimicking sort of what
1007 Godson had told me about not mentioning money in front of
1008 Colonel North, so that I told them that, that if there was
1009 any money to be given or raised, that it would go to Roy
1010 Godson and that we shouldn't mention it to Colonel North.
1011 So I know I mentioned it probably before the meeting, and
1012 that's it.

1013 . Q Just so I'm clear, Mr. Hirtle, after the meeting
1014 with these two individuals and Colonel North, you then had a
1015 discussion with each of them where they said they wanted to
1016 think more about the discussion. Is that correct?

1017 . A Yes.

1018 . Q Now what further conversation did you have with
1019 either of them about this subject?

1020 . A It's hard for me to recall specific discussions,
1021 but I remember that I sort of kept them posted in the sense
1022 that if there was an article in the paper that I saw about

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1023 Nicaragua, I'd send it to them; I'd cut it out of the Wall
1024 Street Journal and send it to them--something like that--to
1025 try and keep them up to date. It wasn't an ongoing project.
1026 I was very busy, and, you know, it would go a month at a
1027 time I wouldn't do anything, and then something would
1028 happen, and I might give them a call and say, "I've found
1029 this out," or whatever, and so that it's hard for me to
1030 give you, you know, exactly what happened. I don't
1031 remember, is the bottom line.

1032 Q Well, did you make any inquiries as to whether
1033 either of them was going to make a contribution?

1034 A I did not.

1035 Q Did--I'm sorry. Go ahead.

1036 A I just--that part--I mean I did not ask them if they
1037 were going to make a contribution only because it just
1038 didn't seem comfortable to do that. I didn't feel
1039 comfortable doing it. It seemed to me that, since I'd given
1040 them Godson's name and that they had heard just what I
1041 heard, you know, it wasn't necessary. I mean I didn't, so I
1042 really do not remember asking either one of them for money,
1043 although I think that they--I must have said early on that I
1044 was raising money, helping raise money, or, you know, I was
1045 involved in that somehow, because I know that they knew that
1046 the point of the meetings was to give a briefing so that
1047 they would be more comfortable, so that if they were going

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1048 to give money, they would know what they were giving money
1049 for. I mean it wasn't like there was no awareness that
1050 there was an issue to raise money.
1051 . Q Did you ever obtain any information about whether
1052 either of them made a contribution?
1053 . A I don't recall specifically, but I do seem to
1054 remember Roy Godson telling me that he got a check.
1055 . Q From whom?
1056 . A He did not say.
1057 . Q From one of those two individuals?
1058 . A That was what he implied.
1059 . Q He didn't identify which one?
1060 . A He did not.
1061 . Q And you have no other information as to which one
1062 made the contribution?
1063 . A I do not.
1064 . Q Did Godson mention an amount?
1065 . A The problem with that is that I deal in a business
1066 where I'm throwing numbers around all day, and I don't
1067 really remember. I cannot say for sure that he did.
1068 . Q Have you ever indicated to anyone that the amount
1069 was \$60,000?
1070 . A I believe I told you on the phone that that's a
1071 number that stuck in my head but that I didn't know for sure
1072 if it was true.

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1073 . Q Why does that number stick in your head?

1074 . A I don't know. It's just a number that, when I

1075 think about this, just sort of pops up.

1076 . Q And you have never had any conversation at all with

1077 either Mr. Meads or Mr. Macaleer as to whether they made any

1078 contribution following this meeting that you arranged with

1079 Colonel North?

1080 . A I didn't say that. I just don't know for sure. I

1081 never saw a check. I don't know. I never saw any money

1082 change hands.

1083 . Q Well, that's not my question. Do you want the

1084 question read back?

1085 . A Yes.

1086 . [Whereupon, the reporter read the record, as

1087 directed.]

1088 . THE WITNESS: My problem with that question is, I

1089 don't know whether either of them--I don't know for sure

1090 whether anybody gave any money. Therefore, it would be an

1091 impression on my part, and if I don't know for sure, it

1092 seems like I'm dealing in an impression, which doesn't seem

1093 to be fair to the people involved. I mean if you want an--it

1094 seems to me that if you want to know, you should ask them,

1095 not me, or Mr. Godson.

1096 . BY MR. FRYMAN:

1097 . Q Well, again, Mr. Hirtle, I don't think that's

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1098 responsive to the question, and we can have the reporter
1099 read the question again, if you would like.

1100 MR. ALBRIGHT: Well, he is saying he doesn't
1101 recall, I think is his answer.

1102 MR. FRYMAN: Well, that's not what he's saying.
1103 Let's have the question read once again.

1104 [Whereupon, the reporter read the record, as
1105 directed.]

1106 THE WITNESS: I don't recall having any
1107 conversation with either of them, but I'm not sure; I may
1108 have.

1109 BY MR. FRYMAN:
1110 Q Do you recall telling Mr. Davis of the House
1111 Committee staff that in response to your efforts two or
1112 three people donated approximately \$200,000?

1113 MR. ALBRIGHT: Is there something where this
1114 witness made a statement to Mr. Davis that's recorded?
1115 because I think the witness is entitled to see the
1116 statement.

1117 MR. FRYMAN: Well, I think it's an appropriate
1118 question to put to the witness, and he can either answer
1119 whether he recalls telling Mr. Davis that or doesn't.

1120 MR. ALBRIGHT: But the question is this: Do you
1121 have a statement of this witness given to Mr. Davis upon
1122 which you base that question? If so, I think he's entitled

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1123 | to see it.

1124 | MR. FRYMAN: Well, I don't agree with that.

1125 | MR. ALBRIGHT: I'm asking for fairness to the
1126 | witness. If this is an attempt to refresh his recollection,
1127 | perhaps that will, in fact, refresh his recollection.

1128 | MR. FRYMAN: Well, until he answers the question,
1129 | there's no real reason to believe that his recollection
1130 | needs refreshing.

1131 | MR. ALBRIGHT: Well, you have apparently a
1132 | statement, or at least you claim to have a statement, or it
1133 | seems that the implication is clear that you have a
1134 | statement, of this witness. If you do, I think he's
1135 | entitled to see it.

1136 | THE WITNESS: Yes.

1137 | BY MR. FRYMAN:

1138 | Q What was the basis for that statement to Mr. Davis?

1139 | A I got that impression from talking to Terry Slease.

1140 | MR. ALBRIGHT: Now do you want to show him the
1141 | statement?

1142 | MR. FRYMAN: I don't think there's any need to now.
1143 | He's confirmed that he said that to Mr. Davis.

1144 | MR. ALBRIGHT: So you're going to withhold a
1145 | statement made by this witness to your investigator. Is
1146 | that what I understand?

1147 | MR. FRYMAN: That's correct.

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1148 . MR. ALBRIGHT: That will go a long way toward
1149 establishing the tenor of the interrogation.
1150 . MR. FRYMAN: Well, you can draw whatever conclusion
1151 you want.
1152 . BY MR. FRYMAN:
1153 . Q Now was this Mr. Slease's statement to you that
1154 contributors that you had contacted contributed that amount
1155 of money?
1156 . A No. It was a total amount that Terry's and ours,
1157 total, had given.
1158 . Q All right.
1159 . A And I get the impression that his part gave a lot
1160 more than our part, but I don't know--the thing is that,
1161 since this is a while ago, I have impressions that involve
1162 saying things about people that I don't know to be true.
1163 . Q Right.
1164 . A And I'm very--and it's one thing to tell Bill Davis
1165 on the phone, and it's another thing to say--to mention
1166 somebody's name with a number on the record.
1167 . Q All right. Well, I'm trying to be very specific
1168 about what you recall that people said to you, and
1169 understood that my questions are designed to elicit your
1170 specific recollection about things that were told to you.
1171 . MR. ALBRIGHT: And not impressions.
1172 . MR. FRYMAN: Yes--and not impressions.

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1173 . THE WITNESS: My problem is that my impressions
1174 over time become clouded with the facts. If you have an
1175 impression for a year and a half, it's hard to remember
1176 whether it actually--you heard that or if you've just been
1177 under that assumption for so long it sounds like the truth.

1178 . MR. FRYMAN: All right.

1179 . MR. ALBRIGHT: Well, Counsel, let's not argue with
1180 the witness and get on.

1181 . Just answer his questions.

1182 . MR. FRYMAN: Well, again, I don't accept your
1183 characterization that I was arguing with the witness, but in
1184 any case, I would like to move on.

1185 . BY MR. FRYMAN:

1186 . Q After this meeting that you arranged with these two
1187 individuals, what else did you do as a follow-up to the
1188 request by Mr. Godson for your assistance in raising funds?

1189 . A Nothing.

1190 . Q That was the last step you took?

1191 . [Witness nods.]

1192 . Q Did you give any money yourself?

1193 . A I did not.

1194 . Q Do you know if Mr. Miller gave any money?

1195 . A I do not know.

1196 . Q Did he tell you if he did?

1197 . A I have the strong impression that he did not.

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1198 . Q Now we have discussed in passing Father Dowling.
1199 Have you ever met Father Dowling?
1200 . A I have.
1201 . Q How did you happen to meet him?
1202 . A He came to Philadelphia to introduce himself to me.
1203 . Q When was that?
1204 . A I don't remember for sure. It seems that it was in
1205 spring of '86.
1206 . Q That was after your meeting with Colonel North?
1207 . A Yes.
1208 . Q Do you know if Colonel North suggested that Father
1209 Dowling contact you?
1210 . A I believe he did.
1211 . Q What is your basis for that belief?
1212 . A I called Colonel North, I think, and asked him if
1213 there was anything I could be doing to help, and he said
1214 there was this fellow Tom Dowling who is interested in
1215 arranging a public speaking campaign, "Maybe you can help
1216 him"--you know, "I'll have him give you a ring," or, "You
1217 give him a ring." I don't remember if I called him first
1218 or he called me.
1219 . Q Since your meeting in Colonel North's office that
1220 you described, how many conversations have you had with
1221 Colonel North?
1222 . A Two, I believe.

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1223 . Q One is the one you just described.

1224 . A Right.

1225 . Q What was the other one?

1226 . A I think it was just a social call, just to check in

1227 and see how things were going.

1228 . Q And when was that other one?

1229 . A I think it must have been--I don't know. I mean I

1230 would guess--it's quite a while ago. I mean I haven't talked

1231 to him since the investigation began. I think it might have

1232 been no later than the summer of '86, perhaps earlier than

1233 that.

1234 . Q Have you met with him on other than the one

1235 occasion that you described?

1236 . A In Executive Office Building, one, and

1237 Philadelphia, two.

1238 . Q All right. Other than those occasions?

1239 . A No.

1240 . Q That's the only meetings?

1241 . A Right.

1242 . Q Now you called him once and you asked him what else

1243 you could do, and he mentioned Father Dowling and that

1244 Father Dowling was trying to arrange a speaking tour?

1245 . A Right.

1246 . Q And after that, Father Dowling contacted you?

1247 . A Correct--or I contacted him; I'm not sure which.

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1248 . Q And at some point you received the brochure or
1249 memorandum from Father Dowling that you've described today?
1250 . A Yes.
1251 . Q Did Father Dowling mail that to you or how did--
1252 . A He did.
1253 . Q And how many times have you met with Father
1254 Dowling?
1255 . A Once.
1256 . Q That was in Philadelphia?
1257 . A Yes.
1258 . Q And what occurred at that meeting?
1259 . A We had dinner, talked about what he was trying to
1260 do, and who he was, introduction, just talked about what he
1261 was trying to do.
1262 . Q And what was he trying to do?
1263 . A Arrange a speaking tour.
1264 . Q Who was the speaker to be?
1265 . A Himself
1266 [REDACTED]
1267 . Q [REDACTED]
1268 [REDACTED]
1269 . A Yes.
1270 . Q What sort of organizations?
1271 . A The Rotary, World Affairs Council, and basically
1272 anybody who would listen.

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1273 . Q And were you successful in arranging any such--
1274 . A We were--really, it was not successful. We were in
1275 the middle of doing--arranging some of this when the
1276 investigation began.
1277 . Q Did you make any contribution to Father Dowling?
1278 . A I did not.
1279 . Q Did you seek any contributions for him?
1280 . A I did not.
1281 . Q Now we have mentioned from time to time Mr. Miller,
1282 and I believe you indicated that at the time you first met
1283 with Mr. Godson it's your understanding that Mr. Miller did
1284 not know Mr. Godson. Is that correct?
1285 . A That's my understanding.
1286 . Q Now is it your understanding that at some point Mr.
1287 Miller met Mr. Godson?
1288 . A It is.
1289 . Q How was that arranged, if you know?
1290 . A I do not recall.
1291 . Q Do you know when that occurred?
1292 . A I do not.
1293 . Q Do you know if Mr. Miller has had meetings with Mr.
1294 Godson in Europe?
1295 . A Yes, I do know that.
1296 . Q Did Mr. Miller tell you about those meetings?
1297 . A He--I mean I was aware of them through Mr. Miller.

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1298 He didn't tell me. I didn't get in a big discussion about
1299 it.
1300 . Q Right, but the source of your information, such as
1301 it is, about those meetings is Mr. Miller.
1302 . A Yes.
1303 . Q Did you ever discuss them with Mr. Godson?
1304 . A No.
1305 . Q Terry Slease?
1306 . A No.
1307 . Q Anyone else?
1308 . A No.
1309 . Q What did Mr. Miller tell you about these meetings?
1310 . A Just that they occurred.
1311 . Q Did he tell you that they were related to fund-
1312 raising?
1313 . A He did not.
1314 . Q Did he tell you the purpose of the meetings with
1315 Mr. Godson in Europe?
1316 . A He did.
1317 . Q What was that?
1318 . A They were to organize a seminar about Soviet
1319 disinformation, as far as I know.
1320 . Q Did Mr. Miller tell you that he had arranged
1321 introductions for Mr. Godson for friends of his in Europe?
1322 . A I know that the people who came to the meeting were

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1323 acquaintances of Scott Miller's and--I mean he didn't tell me
1324 that, but I mean I assume that that's a logical conclusion.
1325 . Q But you have no information that Mr. Miller's
1326 association with Mr. Godson was related in any way to fund-
1327 raising?
1328 . A I do not have any information on that--about that,
1329 and I--I don't think this is--the one is any way related to
1330 the other, as far as I know, meaning that the European
1331 meeting has nothing to do with my association with Colonel
1332 North or Mr. Godson.
1333 . Q I don't want to seek your impression now.
1334 . Going back to the subject of documents, do you have
1335 any additional documents that relate to Mr. Godson?
1336 . A I do not.
1337 . MR. FRYMAN: I have no further questions.
1338 . Mr. Oliver.
1339 . BY MR. OLIVER:
1340 . Q Mr. Hirtle, I'm going to try to follow up on a few
1341 of the things that occurred to me as we went through this.
1342 How many contacts have you had with Roy Godson since you
1343 first met him?
1344 . A A half-dozen.
1345 . Q Other than the two meetings with Colonel
1346 North--there was one meeting with Colonel North--did you ever
1347 have any other contacts with him face to face?

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1348 . A With Colonel North?

1349 . Q No, with Roy Godson.

1350 . A The only meeting I ever had, as I recall, face to

1351 face with Roy Godson was the first meeting with Colonel

1352 North at the Executive Office Building.

1353 . Q When Terry Slease mentioned Roy Godson to you, how

1354 did he describe him? What did he say he did--why he was

1355 involved in this?

1356 . A That he was a--worked at Georgetown and the National

1357 Center for Strategic Studies and was a conservative

1358 intellectual type of person and was involved in and

1359 understood what was going on in Nicaragua or was involved in

1360 this project.

1361 . Q What did he say about his connection with the

1362 National Security Council and Colonel North?

1363 . A I don't recall that he said anything about that.

1364 . Q What did Roy Godson tell you about his connection

1365 with the National Security Council and Colonel North?

1366 . A I believed he explained it as that there was--that

1367 he worked with them on certain projects.

1368 . Q Did you meet Roy Godson at the White House, or did

1369 you go to the White House together?

1370 . A I went--at the Executive Office Building? You

1371 consider that part of the White House?

1372 . Q Yes.

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1373 . A I met him there.

1374 . Q You said that you were in the meeting with Colonel

1375 North that Bill Casey called. Is that correct?

1376 . [Witness nods.]

1377 . Q Did his secretary buzz in and tell him that Bill

1378 Casey was on the phone, or did she walk in, or did the phone

1379 just ring on his desk and it was Bill Casey?

1380 . A I don't really remember how that happened.

1381 . Q How do you know it was Bill Casey?

1382 . A He said--called him Mr. Director or

1383 something--referred to him in some way that led me to believe

1384 it was Mr. Casey, and then when he got off, I think he said

1385 it was Mr. Casey, but it wasn't then, it was like--you know,

1386 it was a conversation that didn't have anything--it was

1387 "pick up my cleaning" or something; it was--you know, it

1388 was a short conversation about something that didn't seem to

1389 have anything to do with what we were talking about, a

1390 social conversation.

1391 . Q What do you mean by "social conversation"? What

1392 did he say?

1393 . A I don't remember. All I remember is having the

1394 impression that it was a social conversation. It didn't

1395 seem to have any substance. When he was talking, he was

1396 smiling, kind of laughing when he was talking.

1397 . Q Was there just one call or two?

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1398 . A Just one.

1399 . Q When you arranged this meeting for Colonel North
1400 with--these meetings with Mr. Meads and Mr. Macaleer, did you
1401 tell Roy Godson that these people were potential donors?

1402 . A I believe I did.

1403 . Q Did you tell them before the meeting that they had
1404 been described as potential donors to Roy Godson or Colonel
1405 North?

1406 . A I don't believe I told them that they had been
1407 described to anyone as a potential donor.

1408 . Q But they knew that one of the purposes of the
1409 meeting was to encourage them to give money to the project?

1410 . MR. ALBRIGHT: Well, how can he testify as to what
1411 somebody else knew, Mr. Oliver? I mean he can testify as to
1412 what they told him and what he told them, but he doesn't
1413 know what the mental processes are of another individual
1414 unless they express it. I don't have any problem with you
1415 asking what they expressed, if anything.

1416 . MR. OLIVER: Counsel, he testified, I believe,
1417 earlier that after the meeting, he said they wanted to think
1418 about becoming donors. I want to know when they learned
1419 that they were potential donors.

1420 . THE WITNESS: I believe that when I talked to them
1421 originally I mentioned the idea of raising money. I do not
1422 believe that the meeting with Colonel North--in other words,

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1423 the meeting with Colonel North was specifically a briefing
1424 about Nicaragua such as it's like a proof source. I was
1425 interested in having them and raising money for Nicaragua.
1426 and I needed a reference. Colonel North was the reference.
1427 The meeting with Colonel North in that regard didn't have
1428 anything to do--Colonel North was not involved in the raising
1429 of the money. In other words, Colonel North was the
1430 briefing. I was the one that they talked to if they were
1431 going to raise any money.

1432 . BY MR. OLIVER:

1433 . Q So did you talk to them about raising money after
1434 Colonel North had briefed them?

1435 . A I believe I did. I said, you know, "If you need
1436 to raise money"--and I said it before they went in--"this
1437 fellow is a proof source. If you want to give money or if
1438 you know someone who wants to give money, there's another
1439 guy you talk to, Roy Godson, and I will get you his name and
1440 number if you want it," or "when you want it" or
1441 whatever; I don't remember what I said then.

1442 . Q Did you instruct each one of them not to mention
1443 the subject of raising money during their meeting with
1444 Colonel North?

1445 . A I did.

1446 . Q You instructed each one of them separately?

1447 . A Yes.

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1448 . Q On the phone before the meeting or when they
1449 arrived at the Racquet Club?
1450 . A I don't recall.
1451 . Q Did they ask you why you were cautioning them not
1452 to do that?
1453 . A I don't think they did.
1454 . Q Did you tell them why you were--they shouldn't
1455 mention money?
1456 . A I don't recall other than--I don't recall.
1457 . Q You said that Scott Miller worked with you at your
1458 place of employment. Does he still work there?
1459 . A He does.
1460 . Q In Philadelphia?
1461 . A No; New York.
1462 . Q So he moved from the Philadelphia office to the New
1463 York office?
1464 . A He did.
1465 . Q When did that occur?
1466 . A I believe it was August of '86.
1467 . Q August of '86. Were you aware of a trip that Mr.
1468 Miller took to Europe in December of 1985?
1469 . A I was.
1470 . Q What was the purpose of that trip?
1471 . A I think it was a combined purpose of business and
1472 just setting up this meeting with Roy Godson and this Soviet

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1473 disinformation seminar, introducing Roy to Scott's
 1474 acquaintances in Europe.

1475 . Q Had Scott had some interest in Soviet
 1476 disinformation prior to that, that you know of?

1477 . A No. I mean I think he had read Godson's book.

1478 . Q Did he tell you that he was going to Europe or that
 1479 he was going to meet Roy Godson in Europe?

1480 . A Yes.

1481 . Q Did he tell you that there was any other purpose,
 1482 other than this Soviet disinformation seminar?

1483 . A He did not.

1484 . Q When did he tell you this Soviet disinformation
 1485 seminar was going to take place?

1486 . A I don't recall specifically. I mean it was some
 1487 point after this meeting. This was to set up the seminar.

1488 . Q Did he tell you that he had gone to a dinner at the
 1489 residence of Ambassador Whittlesey when he was in
 1490 Switzerland in December of 1985?

1491 . A I don't recall.

1492 . Q Did he ever tell you that he had been to dinner at
 1493 Ambassador Whittlesey's house?

1494 . A I don't recall.

1495 . Q You were sitting right next to each other in your
 1496 office, and he had met Godson sort of about the same time
 1497 you did and gone to Europe with him, and he never indicated

de Report?
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1498 | to you what had gone on there?

1499 | A Not in detail. You know, the ambassador is from
1500 | our area, and he know--he somehow met her. I know that he is
1501 | acquainted with her, but I don't know where it happened.

1502 | Q Do you know whether Mr. Miller ever met Colonel
1503 | North again after that meeting at the Racquet Club?

1504 | A I don't know. I don't think so.

1505 | Q He never mentioned to you that he had met Colonel
1506 | North?

1507 | [Witness shakes head.]

1508 | Q Did he ever mention to you that he had talked to
1509 | Colonel North after that?

1510 | A I don't believe so. He never mentioned to me.

1511 | Q Did he ever mention to you that he had given Roy
1512 | Godson the names of any people who might wish to contribute
1513 | to the cause in Nicaragua?

1514 | A I do not believe he did. I don't believe he ever--I
1515 | do not recall him mentioning that to me, and I don't believe
1516 | he gave me names.

1517 | Q To your knowledge, did he have anything to do with
1518 | fund-raising for Nicaragua?

1519 | A Not to my knowledge. Not specifically, other than
1520 | I think he helped me--you know, he arranged the room at the
1521 | Racquet Club that night because I wasn't a member.

1522 | Q Did you talk to Terry Slease after that meeting

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1523 | that night? Did you talk to him in the next day or so?

1524 | . A I probably did. I don't recall.

1525 | . Q Did he call you, or did you call him?

1526 | . A I don't recall specifically talking to him. I just

1527 | think that it's logical that I might have, and I therefore

1528 | don't recall whether I called him or he called me.

1529 | . Q Did you ever meet any other officials of the U.S.

1530 | Government, other than Colonel North, in relation to these

1531 | activities or these projects that we have discussed today?

1532 | . A I did not.

1533 | . Q No one else on the White House staff?

1534 | . A No one.

1535 | . Q Did you ever meet any other individuals who were

1536 | introduced to you or referred to you by Roy Godson or

1537 | Colonel North, other than Tom Dowling?

1538 | . A No one.

1539 | . Q But it is your testimony that you talked to Colonel

1540 | North in the summer of 1986 again?

1541 | . A At the latest, it was the summer of '86. It may

1542 | have been the spring of '86.

1543 | . Q Did you withdraw from this sort of effort to be of

1544 | assistance after the meeting in November in Philadelphia?

1545 | . A No. I just didn't have any--I didn't have any ideas

1546 | of who else to go to, and I was very busy, and just one

1547 | thing led to another, and the next thing you know it was

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1548 fall of '86, and I called and asked what I could do. and
1549 that's when I met Tom Dowling, or the spring of '86,
1550 whenever it was, but it--between the time of the meeting in
1551 Philadelphia and I met Tom Dowling, it was just a period of
1552 being too busy or not having anything to suggest.
1553 . Q In addition to Father Dowling asking you to set up
1554 these speaking engagements, did he mention to you the need
1555 for money [REDACTED] for anything he was
1556 doing?
1557 . A He did not.

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1558 . MR. ALBRIGHT: You know, these questions have been
1559 asked and answered. I just don't think it's fair to ask the
1560 same questions three or four times.

1561 . MR. OLIVER: Well, I'm sorry to be repetitive. I
1562 may have forgotten some of them.

1563 . MR. ALBRIGHT: All right. I didn't think it was--

1564 . MR. OLIVER: I didn't take verbatim notes.

1565 . MR. ALBRIGHT: I didn't think it was intentional.

1566 . BY MR. OLIVER:

1567 . Q Other than your attorney, have you discussed your
1568 testimony here today with any of the other individuals whose
1569 names have been mentioned today?

1570 . A I have not.

1571 . Q You have not discussed this subject with Roy
1572 Godson?

1573 . A I have not talked to Roy Godson for quite a while.

1574 . Q What about Scott Miller?

1575 . A I have talked to Scott Miller in the course of
1576 business.

1577 . Q You did not discuss this meeting with Scott Miller?

1578 . A He knows I'm coming down.

1579 . Q So you did discuss the meeting with him?

1580 . A Right. I mean I didn't discuss my testimony, I
1581 just discussed that I was coming down.

1582 . Q Did he mention to you that he had been contacted by

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1583 this committee?

1584 . A He did.

1585 . Q What did he say?

1586 . A Just that.

1587 . Q That he had been contacted by the committee?

1588 . [Witness nods head.]

1589 . Q And nothing else?

1590 . [Witness shakes head.]

1591 . Q Did you discuss your coming here today with Terry

1592 Slease?

1593 . A I did..

1594 . Q And what did you say to him?

1595 . A Just that I was coming.

1596 . Q What did he say to you?

1597 . A Well, I asked him if I should get an attorney. He

1598 said he didn't think I really needed one, but if I wanted

1599 to, he would represent me since he's an attorney, and I

1600 said--and, you know, things like that. I didn't discuss any

1601 content. I told him I didn't think I had anything to hide.

1602 He said he agreed, and I said--you know.

1603 . Q Did you ever receive any letters from Colonel North

1604 or anybody in the White House thanking you for your efforts?

1605 . A No.

1606 . Q Did it ever occur to you that this money for

1607 [REDACTED]

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1608 . A Could be given directly?
1609 . Q To [REDACTED]
1610 . A To [REDACTED]
1611 . Q Yes.
1612 . A Well, I think it occurred to me that there were
1613 various sources that money could have come from but that
1614 apparently those sources weren't available or they wouldn't
1615 have asked us to help.
1616 . Q Did they tell you those sources weren't available?
1617 . A I think that Roy Godson told me that, whatever,
1618 that this was a specific project and that those funds were
1619 being used for other projects.
1620 . Q Did you ever have any knowledge of where the money
1621 that was raised--where it actually went?
1622 . A I absolute--none.
1623 . Q When the notation was made about how do we make
1624 arrangements for the money--I'll be through in just a minute,
1625 Counsel--did Roy Godson mention any bank accounts or give any
1626 directions as to how the money should be sent or where it
1627 should be sent?
1628 . A I don't recall that. I--I hesitate to say now
1629 because I just don't recall how we did that. My impression
1630 is that I hooked up--I introduced the people whose names we
1631 have mentioned to Roy Godson; I told them about him. I
1632 believe what happened is that if they were interested in

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1633 giving money, they contacted him directly, but I don't
1634 really recall the mechanics of this, because once again, I
1635 mean, we're talking about potentially two people, so it
1636 wasn't like something that was happening over and over
1637 again, that there was a routine established. I just don't
1638 recall.

1639 . Q Did anyone ever mention to you where money might
1640 have been sent?

1641 . A The only thing I really remember is that there were
1642 certain charitable organizations whose names I never heard
1643 who might be able to take money. On the other hand, there
1644 was a discussion by Roy that perhaps there weren't any
1645 charitable organizations that could take this money, and
1646 therefore it would have to be a noncharitable contribution
1647 if people were going to give the money. Those were the kind
1648 of discussions I recall. I don't recall specific names.

1649 . Q Did he mention some specific names of charitable
1650 organizations?

1651 . A I do not remember him mentioning any specific
1652 names, and I know that the names that I have read in the
1653 paper don't mean anything to me. I don't remember hearing
1654 of them.

1655 . Q Did he mention the Heritage Foundation?

1656 . A Well, I--it's hard for me to remember if Godson
1657 mentioned the Heritage Foundation because I am very much

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1658 aware of the Heritage Foundation, and I know the Scaife
1659 Organization is big supporters of the Heritage Foundation,
1660 so it's hard for me to separate whether Roy Godson mentioned
1661 the Heritage Foundation. I think in the discussions, when
1662 you're thinking about conservative organizations, the
1663 Heritage Foundation, you know, comes to mind, so it's hard
1664 for me to remember.

1665 . Q So you would have remembered, you think, if he
1666 mentioned the Heritage Foundation if you were so aware of
1667 it?

1668 . A Well, I think if he had said, "We're going to put
1669 the money through the Heritage Foundation," I would have
1670 remembered, but I don't. I believe that he never said that.

1671 . Q Do you know whether Mr. Meads or Mr. Macaleer ever
1672 received a letter of thanks of any kind from the President
1673 or from Colonel North?

1674 . A I do not know. I don't know if--I don't know for
1675 sure if either one of them did anything, so I don't know if
1676 they got a letter.

1677 . MR. OLIVER: I don't have any further questions.

1678 . MR. FRYMAN: I have no further questions.

1679 . MR. ALBRIGHT: Thank you very much.

1680 . MR. FRYMAN: This is all off the record.

1681 . [Discussion off the record.]

1682 . MR. FRYMAN: On the record.

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1683 MR. ALBRIGHT: Pursuant to 6.9 of the rules of the
1684 Select Committee, we would like to inspect the transcript of
1685 this deposition, and we would also respectfully request the
1686 chairman, in fairness, to provide a copy of the transcript
1687 to the witness through his counsel since none of the
1688 testimony in this session involves classified information.

1689 Thank you.

1690 MR. FRYMAN: On the record, I would refer you to
1691 Rule 7.5, which says that if a witness's testimony is
1692 transcribed--and this relates to depositions--he shall be
1693 furnished with an opportunity to review a copy. No later
1694 than five days thereafter, the staff shall enter the
1695 changes, if any, requested by the witness with a statement
1696 of the witness's reasons for the changes, and the witness
1697 shall be instructed to sign the transcript. You will be
1698 given, or the witness will be given that opportunity as
1699 provided in rule 7.5.

1700 If you want to make a further request for a copy of
1701 the transcript, I ask you to do so in writing either in a
1702 letter to me, which I will pass on, or you can address the
1703 letter directly to the chairman with such a request.

1704 MR. ALBRIGHT: I appreciate your observations, and
1705 I would suggest that we go by the rules as they should
1706 appropriately be interpreted, and you have our assurance of
1707 cooperation in regard to complying with the rules.

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1708 . MR. FRYMAN: Okay.

1709 . [Whereupon, at 7:25 p.m., the taking of the

1710 deposition was concluded.]

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TRANSCRIPT
OF PROCEEDINGS
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UNITED STATES SENATE

HSC 012 /87

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

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DEPOSITION OF BRUCE HOOPER

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4103

Partially Declassified/Released on 12-28-87
under provisions of E.O. 12356
by N. Menan, National Security Council

Washington, D. C.

Thursday, April 2, 1987

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2 UNITED STATES SENATE

3 SELECT COMMITTEE ON

4 SECRET MILITARY ASSISTANCE TO

5 IRAN AND THE NICARAGUAN OPPOSITION

6 DEPOSITION OF BRUCE HOOPER

7 Washington, D.C.

8 Thursday, April 2, 1987

9 Deposition of BRUCE HOOPER, called for examination

10 pursuant to notice of deposition, at the offices of the

11 Select Committee, Room 901, Hart Senate Office Building, at

12 9:05 a.m., before GARY S. HOWARD, a Notary Public within

13 and for the District of Columbia, when were present:

14 W. THOMAS MC GOUGH, JR., Esq.

15 Associate Counsel

16 United States Senate Select Committee on

17 Secret Military Assistance to Iran and

18 the Nicaraguan Opposition

19 Room 901, Senate Hart Office Building

20 Washington, D.C.

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2

LARRY EMBREY, Esq.

< Senate Select Committee

WILLIAM DAVIS, Esq.

KEN BUCK, Esq.

THOMAS FRYMAN, Esq.

House Select Committee to Investigate

Covert Arms Transactions With Iran

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C-O-N-T-E-N-T-S

2	WITNESS	EXAMINATION
3	Bruce Hooper	
4	by Mr. McGough	4
5	by Mr. Fryman	63
6	by Mr. Buck	69

7	E-X-H-I-B-I-T-S	
8	HOOPER DEPOSITION NUMBER	IDENTIFIED
9	EXHIBIT 1	5
10	EXHIBIT 2	18
11	EXHIBIT 3	20
12	EXHIBIT 4	22
13	EXHIBIT 5	23
14	EXHIBIT 6	27
15	EXHIBIT 7	36
16	EXHIBIT 8	37
17	EXHIBIT 9	39
18	EXHIBIT 10	42
19	EXHIBIT 11	45
20	EXHIBIT 12	47
21	EXHIBIT 13	47
22	EXHIBIT 14	48
23	EXHIBIT 15	55

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P-R-O-C-E-E-D-I-N-G-S

2 Whereupon,

3

BRUCE HOOPER

4

was called as a witness and, having been first duly sworn,

5

was examined and testified as follows:

6

EXAMINATION

7

BY MR. MC GOUGH:

8

Q Mr. Hooper, my name is Tom McGough. I'm associate

9

counsel to the Senate Select Committee on Secret Military

10

Assistance to Iran and the Nicaraguan Opposition. As you

11

may know, we're here this morning pursuant to Senate

12

Resolution 23, a copy of which will be made available to

13

you, if you would like to take a look at it. That

14

resolution allows the committee and its staff to subpoena

15

witnesses and to interrogate them in depositions, and we

16

are here for that purpose today.

17

You've been placed under oath, which means that

18

your testimony is subject to the penalties provided by

19

Title 18 of the United States Code, Chapter 79, government

20

perjury, obviously, to tell the truth.

21

Are you aware that you have the right to counsel

22

in this proceeding?

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ryhoward 1

A I am.

2

Q And are you electing today to appear without

3

counsel?

4

A I am.

5

Q All right.

6

7

MR. MC GOUGH: Let us mark as Deposition Exhibit 1
a copy of the subpoena served upon you, I believe, if you
take a look at it, Mr. Hooper.

9

(The document referred to was marked
for identification as Hooper
Deposition Exhibit No. 1.)

10

11

12

BY MR. MC GOUGH:

13

Q Is that, in fact, the subpoena requiring your

14

appearance here today?

15

A Yes, it is.

16

Q And does it have certain attachments to it?

17

A Yes, it does.

18

Q And those attachments require you to bring with

19

you certain documents.

20

Is that right?

21

A Yes.

22

Q All right. And you provided those documents

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ryhoward 1 yesterday to Mr. Davis?

2 A Yes.

3 Q That's the gentleman seated to your left. Is that
4 right?

5 A Correct.

6 Q Are the documents you produced all the documents
7 responsive to that subpoena, to the best of your knowledge,
8 information and belief?

9 A Yes, with the exception of Item O, tax record of
10 any kind, which I didn't have in my files anything that
11 would be what I thought was applicable to this proceeding.

12 Q What do you mean by applicable?

13 A I don't know what tax records you were looking
14 for.

15 Q All right. With that qualification, are the
16 remainder of the requests in the subpoena fulfilled by the
17 documents you provided to the committee?

18 A Yes.

19 Q Let me show you a stack of documents that were
20 provided to me yesterday by Mr. Davis. For the record, I'd
21 like for you to examine those and, to the best of your
22 knowledge, indicate if those are in fact the documents that

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you produced yesterday?

2

A Do you want me to enumerate them?

3

Q Why don't I do this -- as you look at them, hand

4

them to me and I will just identify them for the record.

5

A Okay.

6

Q I don't think they have to be marked as deposition

7

exhibits, but I'd like a record made of their existence.

8

The first is a copy of two checks drawn on the

9

Elizabeth S. Hooper Foundation, Checks No. 1175 and 1179,

10

one dated January 28th, 1986 and the other dated May 27th,

11

1986.

12

A The second page of this is missing. That's simply

13

a letter that I was sent.

14

Q We have a second page on that, I'm sure.

15

A Okay.

16

Q This is a two-page letter which we do have the

17

second page. It's just not here -- dated February 21st,

18

1986, on White House stationery, addressed, "Dear Spitz."

19

I think this is the second page we're referring to

20

(indicating).

21

A That's correct.

22

Q All right. I'll substitute that. The third one is

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ryhoward 1 a letter dated February 21, or I should say a flimsy copy
2 of a letter not on a letterhead, dated February 21, 1986,
3 to Jane E. McLaughlin from Eileen M. Maguire, M-a-g-u-i-r-
4 e.

5 The next is a letter dated March 11, 1986,
6 addressed to a Mr. Channell, signed by Bruce H. Hooper,
7 with a check at the bottom drawn on the Killeshandra
8 Foundation.

9 A It's a duplicate, I believe.

10 Q There are two of those.

11 A And this is simply a copy of the same check that
12 is shown on that.

13 Q You can set those aside. They appear to be
14 duplicates.

15 A These are additional correspondence from Channell
16 to me (indicating)...

17 Q All right. This would be a letter dated April 16,
18 1986, from Carl Russell Channell addressed, "Dear Mr.
19 President," with the note at the top margin, "Dear Bruce,
20 for your information, Spitz."

21

22

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2

3

4

A I gave him that.

5

6

7

Q This is a letter dated May 5, 1986, on the
letterhead of Bruce H. Hooper, and signed by Bruce H.
Hooper, addressed to Mr. Carl Russell Channell.

8

9

10

11

This is a letter dated May 6th, 1986, on the
stationery of the National Endowment for the Preservation
of Liberty, signed by Jane E. McLaughlin, addressed to Mr.
Bruce Hooper.

12

13

14

15

16

17

18

19

20

21

22

There should be a second page to that Telex.

A I think so, yes.

Q Yes, I think that's it.

A Yes.

Q All right. A Mailgram addressed to Mr. Bruce H.
Hooper, Fidelity Court Building, from Spitz Channell and
Jane E. McLaughlin, apparently dated June 9th, 1986.

Another Mailgram dated June 26th, 1986, to Mr.
Hooper from Spitz Channell.

A statement with the handwritten note, postmarked
12/16/86, entitled, "Statement by Carl Russell Channell,

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ryhoward 1 president of NEPL."

2 Is the handwriting postmarked 12/16/86 yours?

3 A I believe that was done in our office. It's not my
4 writing, but it may have been someone working in our office
5 that noted that.

6 Q All right. This is May 27th, 1986, a flimsy of a
7 letter to Miss Jane E. McLaughlin from Bruce Hooper.

8 Next is a printed invitation for a special
9 reception to be held on Monday, July 21, 1986, with a
10 handwritten note, "No, n-o, and "called regrets, 7/17/86."

11 Can you identify the initials on that, if you
12 would?

13 A The note is mine. Mrs. Stowell called the
14 regrets.

15 Q And how do you spell Mrs. Stowell for the Court
16 Reporter?

17 A S-t-o-w-e-l-l.

18 Q All right. The next is a letter dated July 23rd,
19 1986, on National Security Council letterhead, addressed,
20 "Dear Bruce," and signed "Oliver E. North."

21 The next is a check drawn on the account of Bruce
22 H. Hooper, Check No. 2641 on Mellon Bank East in

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ryhoward 1 Philadelphia to the Anti-Terrorist American Committee.

2 This is a letter dated September 3rd, 1986, from
3 Jane E. McLaughlin to Bruce H. Hooper, on the stationery of
4 the National Endowment for the Preservation of Liberty.
5 Attached to it are letters from Robert H. Michel, M-i-c-h-e-
6 l, Trent Lott, L-o-t-t, Bruce P. Cameron, C-a-m-e-r-o-n,
7 Richard Ray, R-a-y, and Robert L. Livingston.

8 Next is a letter to Mr. Carl Russell Channell,
9 dated October 17, 1986, from Elliott Abrams on the
10 stationery of the Assistant Secretary of State for Inter-
11 American Affairs.

12 Next is a letter dated November 11, 1986 to
13 Colonel Oliver L. North from Bruce H. Hooper.

14 Next is a letter on the stationery of the Free
15 World Foundation, dated January 10, 1987, to Bruce H.
16 Hooper from Jane E. McLaughlin.

17 A This is an extra copy of something to which you
18 referred.

19 Q An extra copy of the statement. This is a magazine
20 or a publication entitled "The Nicaraguan Images: A
21 Visitor's Notebook," apparently an excerpt from a
22 publication called "The Christian Century," four pages.

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Next is an item, a statement of José Thomas

2 Altamirano, A-l-t-a-m-i-r-a-n-o, seven pages in length.

3 That (indicating) shouldn't be stapled on that.

4 A No. This letter refers to that magazine article.

5 Q All right. This is a letter dated May 13, 1986,

6 referring to "The Christian Century" article on the

7 National Endowment for the Preservation of Liberty

8 letterhead, signed by Jane E. McLaughlin.

9 Finally, there is a report with a cover page that

10 reads: "This report was produced under an unrestricted

11 grant from the National Endowment for the Preservation of

12 Liberty." It is 32 pages in length.

13 To the best of your recollection, Mr. Hooper, were

14 there any other documents that you brought with you that we

15 did not review?

16 A I had a copy of a letter of May 2nd that was

17 signed by Oliver North. I don't know if I gave that to you

18 or not.

19 Q Yes.

20 A Do you recall that? If not, I might have it.

21 Q We do have a copy of that letter, I believe, in

22 another file.

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ryhoward 1 A All right. That is the one to which I just
2 referred.

3 Q All right. Let us get some personal data, if we
4 could, from you, Mr. Hooper. Could you state your full
5 name, please?

6 A Bruce Henry Hooper.

7 Q What is your home address?

8 A [REDACTED]
9 [REDACTED]

10 Q What is your business address?

11 A Room 220, Fidelity Court Building, 259 Radnor-
12 Chester Road, Radnor, Pennsylvania 19087.

13 Q What is your date of birth?

14 A January 4, 1931.

15 Q Do you recall your social security number?

16 A [REDACTED]

17 Q Mr. Hooper, could you tell us your educational
18 background, please?

19 A I went to the University of Pennsylvania during
20 the years 1948 and 1952. I went to Marine Corps School at
21 Quantico in March of 1953. I went to naval air training
22 school in 1953.

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ryhoward 1

Q How long did you serve in the military?

2

A Approximately 4-1/2 years active duty and

3

approximately 7 years active reserve duty.

4

Q What was the highest rank you achieved?

5

A Major, United States Marine Corps Reserve.

6

Q When you left active duty with the Marine Corps,

7

how were you employed?

8

A I went to work in 1957 with the Interstate Oil

9

Transport Company of Philadelphia, which was a family-owned

10

and operated company.

11

Q How long did you remain with Interstate?

12

A I remained with Interstate until 1981 and

13

thereafter, as a consultant to the successor company until

14

1983.

15

Q What was your final position in 1981 with

16

Interstate?

17

A Vice president, sales and marketing. However, the

18

name of the corporation had changed to IOT Corporation.

19

Q What was the principal line of business of IOT

20

Corporation?

21

A Transportation of petroleum products by barge and

22

tanker.

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ryhoward 1 Q Had you remained a consultant to IOT from 1981
2 until 1983?

3 A The name of the company changed in 1981 to Sonat,
4 S-o-n-a-t, Marine, Incorporated, a division of Southern
5 Natural Resources.

6 Q Were you otherwise employed -- were you employed
7 in addition to being a consultant from 1981 to 1983, or
8 were your consulting duties with IOT full time?

9 A No, they were not full time; they were part time.
10 I had no other wage employ.

11 Q What occurred in 1983? Did you retire or did you
12 accept other employment?

13 A My consultancy expired. It was for 18 months and
14 it expired in 1983.

15 Q All right. Did you accept other employment at
16 that time?

17 A Not quite at that time, not wage employment.

18 Q When was the next employment you accepted?

19 A Well, this is employment without salary, if that's
20 suitable. I'm a director and part owner from 1985 of a
21 company called United States Golf Management, Incorporated,
22 which is a company that manages municipal golf courses,

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ryhoward 1 mostly in Delaware Valley.

2 Q All right. And that's from 1985 and that would be
3 to the present time?

4 A That's correct.

5 Q Have you had any other business affiliations,
6 directorships?

7 A Directorships, but not for profit.

8 Q All right. I was going to qualify that. There
9 came a time, did there not, Mr. Hooper, when you came into
10 contact with an organization called National Endowment for
11 the Preservation of Liberty; also we'll call it NEPL.

12 A Right.

13 Q When was the first time you heard of NEPL?

14 A The first time I heard of NEPL was sometime in
15 January of 1986.

16 Q From whom did you hear it?

17 A I heard it from ^PRalh Hooper, a brother.

18 Q Do you know how ^PRalh Hooper heard of NEPL?

19 A No, I don't know how he heard of it.

20 Q Can you tell me what you heard from Ralph about
21 NEPL at that time?

22 A At that time, my first recollection was that it

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ryhoward 1 was an organization that we felt was going to supply aid to
2 the Contras and to their efforts. To the best of my
3 recollection, he told me that he was going to meet in
4 Washington at a meeting evidently formed by NEPL with
5 President Reagan.

6 Q When you had this discussion with your brother,
7 did he indicate what kind of aid NEPL was going to provide
8 to the Contras?

9 A I don't recall.

10 Q Did he indicate whether it was -- we're going to
11 draw a distinction here between lethal and nonlethal aid,
12 if I could -- and that's military hardware versus --

13 A Well, what I'm saying, I'm talking about January
14 of 1986. The first indication that it was going to be aid
15 was prior to January 28th, upon which basis we in the
16 Elizabeth Hooper Foundation agreed to send to NEPL \$30,000,
17 which was done on January 28th.

18 Q That would be 1986.

19 A Correct.

20 MR. MC GOUGH: Let's mark as Deposition Exhibit

21 1 --

22 THE COURT REPORTER: Didn't we mark the subpoena

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ryhoward 1 No. 17

2 MR. MC GOUGH: That's right. Deposition Exhibit 2.

3 THE COURT REPORTER: No. 2.

4 (The document referred to was marked
5 for identification as Hooper
6 Deposition Exhibit No. 2.)

7 BY MR. MC GOUGH:

8 Q All right, a copy of the document that you
9 referred to earlier. It includes a check drawn on the
10 Elizabeth Hooper Foundation, dated January 28th, 1986, in
11 the amount of \$30,000.

12 Does that check bear your signature?

13 A Yes.

14 Q And does it bear Mr. Hooper's signature?

15 A Yes.

16 Q What is the Elizabeth S. Hooper Foundation?

17 A The Elizabeth S. Hooper Foundation is a 501(c)(3)
18 organization, foundation.

19 Q For what purpose does it exist?

20 A The purposes are as broad as the mandate that's
21 allowed under 501(c)(3). It was formed around 1967 and has
22 given monies to a broad variety of charitable and**UNCLASSIFIED**

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ryhoward 1 educational institutions over the years.

2 Q At the time you signed this check, or up to the
3 time you signed this check, had you seen any written
4 literature from NEPL?

5 A I had not.

6 Q Do you know if your brother Ralph had seen any
7 written literature?

8 A I believe he had.

9 Q Do you know what kind of written literature?

10 A No, sir, I have not looked at it.

11 Q Prior to signing that check, did you discuss with
12 your brother Ralph the purposes to which this \$30,000
13 donation would be put?

14 A Yes. It was my understanding, upon agreeing to
15 this, that it would go for aid to the contras.

16 Q Let me ask if at that point, prior to signing this
17 check for \$30,000, you inquired or knew what kind of aid
18 that would be supplied?

19 A It was told to me that it would be humanitarian or
20 nonlethal aid.

21 Q And who told that to you?

22 A Ralph Hooper. It had to be he because up to this

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ryhoward 1 time, I had no contact with NEPL, personally.

2 Q Did you, yourself, make any attempt to check into
3 the bona fides of NEPL or investigate them beyond what
4 Ralph may have told you?

5 A I did not at this time.

6 MR. MC GOUGH: Let me have this marked as
7 Deposition Exhibit 3, if I could.

8 THE COURT REPORTER: No. 3.

9 (The document referred to was marked
10 for identification as Hooper
11 Deposition Exhibit No. 3.)

12 BY MR. MC GOUGH:

13 Q I show you what has been marked as Deposition
14 Exhibit 3, and I believe that's one of the documents that
15 you've produced today.

16 A Yes.

17 Q That is the cover letter that went over the
18 \$30,000 check. Is that correct?

19 A That's correct.

20 Q Is that a different contribution from the January
21 28th contribution, or is that the cover letter that went
22 over that check?

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ryhoward 1 A No, I assume that it is the same check because, to
2 the best of my knowledge, that is the only \$30,000 check
3 that went to NEPL.

4 Q And can you explain why the cover letter is dated
5 February 21, 1986? And I believe there's a mention of a
6 missing check.

7 A The letter says, "Enclosed is the missing check
8 for \$30,000 from Ralph W. Hooper."

9 Q To your knowledge, was this check missing for a
10 while or why there might have been a three- or four-week
11 gap?

12 A That's the first time I paid attention to that. I
13 don't know.

14 Q All right. Did there come a time when you
15 received direct contact from a NEPL solicitor?

16 A My first contact with NEPL was probably in
17 February, and it would have been -- it was a phone call
18 from Jane McLaughlin.

19 Q Can you tell me what she told you in the phone
20 call, as best you can recollect at this point?

21 A As best I can recollect, she appealed for more
22 money for Contra aid. And after thinking about it for a

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ryhoward 1 while, I decided that I would come up with some more money
2 for Contra aid.

3 Q Again, what kind of aid did she indicate would be
4 provided for?

5 A Nonlethal, humanitarian aid to the Contras.

6 Q Did she specifically tell you that it would be
7 humanitarian and nonlethal, not necessarily in those terms,
8 but --

9 A I can't recall her conversation, but let's say I
10 understood that. Whether she said that or not --

11 Q It was your understanding at that point that it
12 would be nonlethal aid?

13 A Yes.

14 Q I show you a letter dated March 4, 1986.

15 MR. MC GOUGH: Let's mark that as an exhibit.

16 THE COURT REPORTER: No. 4.

17 (The document referred to was marked
18 for identification as Hooper
19 Deposition Exhibit No. 4.)

20 BY MR. MC GOUGH:

21 Q Do you recall receiving that letter?

22 A I never saw this letter before today.

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ryhoward 1 Q Just for the record, this is a letter dated March
2 4, 1986, marked as Deposition Exhibit 4, addressed to Mr.
3 Ralph Hooper. This would be your brother Ralph. Is that
4 correct?

5 A Yes.

6 Q From Jane E. McLaughlin. And it bears Bates stamp
7 no. JM000033, four zeros and two threes.

8 So, to the best of your knowledge, you have never
9 seen that letter before?

10 A I have never seen that letter.

11 Q Did your brother, Ralph Hooper, mention to you
12 anything about that letter?

13 A Not to my recollection.

14 Q Let me show you --

15 MR. MC GOUGH: May I have this marked as
16 Deposition Exhibit No. 5?

17 THE COURT REPORTER: No. 5.

18 (The document referred to was marked
19 for identification as Hooper
20 Deposition Exhibit No. 5.)

21 BY MR. MC GOUGH:

22 Q This is the cover letter dated March 11, 1986, and

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ryhoward 1 the check for \$15,000; which I believe you produced.

2 Is that right?

3 A Yes. I also point out that here is the back of
4 that check and that should not be on your other documents.

5 Q That's right.

6 A This is my letter (indicating).

7 Q And that is the check drawn on the Killeshandra
8 Foundation in the amount of \$15,000.

9 Is that right?

10 A Right.

11 Q What is the Killeshandra Foundation?

12 A The Killeshandra is a family foundation whose
13 trustees are myself, my wife, Eileen S. Hooper, E-i-l-e-e-
14 n.

15 Q And what is it --

16 A And two others, if you want to know.

17 Q I'm sorry. Sure.

18 A Daughter, Cynthia Belle; son, Thornton Hooper, T-h-
19 o-r-n-t-o-n.

20 Q How long has it been in existence?

21 A This foundation has been in existence from about
22 1982, but it had a name change approximately two years

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ryhoward 1 later, from Bruce H. and Eileen S. Hooper Foundation to
2 Killeshandra Foundation. The reason for that was the
3 monicker of our names was just too inconvenient and the
4 name Killeshandra struck me because it is the town nearby
5 to which my mother was born.

6 Q All right. Now what are the purposes of the
7 Killeshandra Foundation?

8 A This foundation is a 501(c)(3) and has a broad
9 mandate thereunder. But these monies go to various local
10 charities and educational institutions, not necessarily in
11 Delaware Valley.

12 Q To the best of your recollection, what was your
13 next contact with or from NEPL?

14 A My next contact, the date of which I don't recall,
15 it was a telephone conversation, was between me and Jane
16 McLaughlin.

17 Q Let me back up for one moment. What was your
18 understanding of the urposes to which this \$15,000
19 donation was going to be made?

20 A My understanding is it was going to Contra aid,
21 but I can't quote conversations verbatim that I had.

22 Q Now, up to the point of this contribution, had you

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ryhoward 1 received any written materials, you personally received any
2 written materials from NEPL?

3 A No, because if I had, I'd have them with me, and I
4 have nothing other than what I brought you.

5 Q Had you dealt with anyone at NEPL other than Jane
6 McLaughlin?

7 A No.

8 Q Had you conducted any independent investigation of
9 NEPL?

10 A No.

11 Q You said that the \$15,000 contribution was to go
12 to Contra aid. Again, what was your understanding or
13 perhaps, if it was a different understanding, what was your
14 understanding of the type of aid that would be provided?

15 A My understanding at that time, it would be
16 supplies to the Contras that were not armaments, military
17 hardware, ammunition, to put it in a negative sense.

18 Q All right. Now let's bounce up ahead again. We're
19 talking about a telephone conversation that you had.

20 Is that correct?

21 A Yes. I can't recall the date, but I may have had
22 a couple of conversations, more with her because she called

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ryhoward 1 frequently. And as a result of a conversation that I had
2 with her, a meeting was arranged wherein I would come to
3 Washington and meet with Colonel North in his office.

4 Q To the best of your recollection, did you receive
5 any written communications or material on NEPL prior to the
6 meeting with Col. North?

7 A I have no record and no recall of any other.

8 MR. MC GOUGH: Let me have this marked as whatever
9 the next deposition exhibit is.

10 THE COURT REPORTER: Six.

11 MR. MC GOUGH: Six.

12 (The document referred to was marked
13 for identification as Hooper
14 Deposition Exhibit No. 6.)

15 BY MR. MC GOUGH:

16 Q Mr. Hooper, I show you Deposition Exhibit 6,
17 which, for the record, is a letter dated April 3, 1986, on
18 the stationery of the National Endowment for the
19 Preservation of Liberty, addressed to you from Jane E.
20 McLaughlin, bearing Bates stamp no. JM000026.

21 I'd ask you to read that letter, if you would.

22 A I have seen this letter, but I did not have it in

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ryhoward 1 my files. But I do recall this letter.

2 Q All right. You do recall that letter, but you did
3 not produce it today.

4 Is that correct?

5 A No, I did not because I didn't have it.

6 Q All right. Can we agree that this letter predated
7 your meeting with Col. North?

8 A Yes.

9 Q Now let's focus our attention, if we could, on the
10 second paragraph of that letter, where Ms. McLaughlin
11 writes: "Not simply humanitarian aid, but more
12 importantly, the effective military aid needed if the
13 Freedom Fighters are to continue successfully resisting
14 attacks by Soviet-supplied Mi-24/HIND D gunships."

15 Do you recall reading that paragraph?

16 A Yes.

17 Q And did that revise your opinion as to the type of
18 aid that was being provided by the National Endowment for
19 the Preservation of Liberty at all?

20 A No, I referred to that paragraph, I would now, to
21 the President's crucial campaign to achieve aid for Freedom
22 Fighters.

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ryhoward 1 Q So that was the President's campaign and not what
2 you were contributing to?

3 A I think at that time there was a campaign to get
4 Contra aid passed in Congress and I recall it was to
5 include military aid.

6 Q All right. Let's go to the meeting on April
7 30th -- I believe it was on or about April 30th, 1986.

8 A On or about.

9 Q On or about, all right, with Col. North. Where
10 did that meeting take place?

11 A That meeting took place in his office.

12 Q How did you get to his office?

13 A I came from Wilmington, Delaware to Washington on
14 the train. Jane McLaughlin met me. To the best of my
15 recollection, we went right to his office. I'm not sure of
16 the hour that we met, but I think it was in the morning.

17 Q Up to that point, had you ever met Jane McLaughlin
18 before?

19 A I had not.

20 Q Where was Col. North's office located?

21 A It's in the Old Executive Office Building.

22 Q Can you tell me what occurred at that meeting?

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ryhoward 1 A Jane McLaughlin and I went into the building and
2 went up to the outer office of Col. North and sat and
3 waited until he was ready to see us. And after a short
4 delay, she and I went into his office, where we had some
5 greeting.

6 Q Was Col. North in uniform at that time?

7 A I do not believe he was in uniform.

8 Q Going into that meeting, what did you understand
9 the purpose of it to be?

10 A The ^Purpose of the meeting? For my ^Purposes?

11 Q Yes, what was the purpose of the meeting?

12 A My purposes were twofold. One, I wanted a
13 briefing from Col. North. I wanted to meet him. I had
14 heard about him and I wanted to meet him and get a briefing
15 on the situation in Central America, especially the
16 Sandinista-Contra conflict. That was my one purpose.

17 The second purpose, and this had to do with
18 meeting in his office, was to give me a sense that the
19 monies that we were giving to NEPL were going to go for
20 Contra aid.

21 Q You say that you had heard of Col. North going
22 into that meeting. From whom, other than Ms. McLaughlin,

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ryhoward 1 had you heard?

2 A Well, a day or two before that meeting, I heard
3 his name spoken over television and I had heard his name,
4 of course, prior to this, since I was coming down to meet
5 him. His name was on television, along with two other
6 gentlemen who were alleged targets of a possible
7 assassination attempt. And that was just a day or two
8 before I came down to Washington, which news I mentioned to
9 him and told him that I had heard his name mentioned on
10 national TV. It may have been the night before. And he
11 asked me, was my picture on television? And I said, no,
12 not on the program I saw. He said, that's good. I have
13 four children. And he was happy that his picture was not
14 on television.

15 Q What occurred at the meeting itself? Can you tell
16 me, as best you can recollect, what occurred?

17 A Okay. He described to me the personalities of
18 what I think are called the commandantes. I believe there
19 are nine members of their ruling party, their backgrounds,
20 education, family, how they got to their positions in their
21 party.

22 He showed me a map that was on his wall. It was a

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ryhoward 1 fairly big map of Nicaragua, Honduras, maybe the rest of
2 Central America, where I believe he told me some fighting
3 had been taking place. And as I recall, it's called the
4 "Parrot Beak" now. I recall that area.

5 He told me also that he travelled often to Central
6 America. He then told me about the Contras. This much I
7 recall. He said there was a force of about [REDACTED] And I
8 remember that because the newspapers at that time were
9 talking about its being about 12,000. He said they had
10 need for supplies, such as boots, uniform clothing, medical
11 supplies.

12 Q During this discussion, was Col. North referring
13 to any documents or written material?

14 A I don't recall his using any notebook to speak
15 with me.

16 Q Do you recall him using a spiral-bound notebook to
17 talk?

18 A No.

19 Q Was there any discussion of armaments or what
20 we've referred to as lethal aid during that meeting?

21 A Lethal aid? No.

22 Q Any discussion of armaments at all?

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ryhoward 1 A In the context of talking about battles, there may
2 have been. But I don't know.

3 Q Did Col. North make any request of you or ask
4 anything from you at that point at that meeting?

5 A He did not.

6 Q How did the meeting conclude?

7 A Well, before we left, he asked if I should like
8 some written material. And he showed it to me and, as I
9 recall, it was State Department documents. The one which
10 was bound that I recall was entitled or subtitled,
11 "Revolution Without Borders," and there were some other
12 documents, a good many of which I had already seen because
13 I do get State Department documents sent to me regularly.
14 So I had probably seen all of them, and I took them with
15 me.

16 I didn't bring them today because I forgot and
17 they're just State Department bulletins. They're nothing
18 classified at all.

19 Q Do you recall Col. North saying to you something
20 along the lines of "There are some things I can't talk to
21 you about on this side of Pennsylvania Avenue"?

22 A No, I don't recall that statement.

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ryhoward 1 Q You don't recall that statement at all, and
2 specifically the "on this side of Pennsylvania Avenue"
3 reference?

4 A No, I don't recall that.

5 Q Where did you go after the meeting with Col.
6 North?

7 A When we left, Jane McLaughlin and I had lunch at
8 the Hay Adams, I believe it is.

9 Q Did you have any conversations with Jane
10 McLaughlin at that time?

11 A Yes, I did.

12 Q Could you relate those conversations?

13 A Well, there was one thing that, to the best of my
14 recollection, she brought up, and that was an airplane
15 company manufacturer called Maule, M-a-u-l-e, which I think
16 is in Georgia. I believe that she showed me a picture of a
17 Maule aircraft, which is a single-engine, I think it's high
18 wing light plane. And she told me that that plane cost
19 about \$65,000, that Maule was a supplier to the Contras, as
20 I recall her telling me that. And there was some mention
21 about a light plane having been lost -- that is shot down
22 or crashed -- recently.

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ryhoward 1 Q Was she showing you this with the request that
2 you, in effect, purchase that airplane for the Contras? I
3 mean, was it that specific?

4 A No. I think it was given as an example of aid to
5 the Contras, this light plane. Did I tell you she
6 mentioned the figure of \$65,000, as I recall?

7 Q Do you recall a conversation with Ms. McLaughlin
8 as you walked from the White House to the Hay Adams Hotel
9 about how the Contra supply network worked?

10 A I do not recall her telling me that at any time,
11 the mechanics, if you're talking about, and I do not recall
12 that.

13 Q Do you recall asking her, how does this work?

14 A No.

15 Q Do you recall any reference by Ms. McLaughlin to a
16 contact of Col. North's within the Contras who would notify
17 him of their needs?

18 A No, I don't recall that specifically.

19 MR. MC GOUGH: Let's have this marked as the next
20 deposition exhibit.

21 THE COURT REPORTER: This is 7.

22

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ryhoward 1

(The document referred to was marked
for identification as Hooper
Deposition Exhibit No. 7.)

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BY MR. MC GOUGH:

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Q I show you Deposition Exhibit 7, which I believe
was among the documents you produced this morning.

A Yes, it is.

Q It's a letter dated May 5, 1986 from you to Mr.
Channell.

Is that correct?

A That's correct.

Q At the time you wrote this letter, had you ever
met Mr. Channell?

A No.

Q Had you ever met anyone other than Jane McLaughlin
from NEPL?

A No, I think not.

Q In the fourth paragraph, you indicate that you
would hope that NEPL would concentrate its efforts on
Central and South America and the Caribbean where "all of
us can agree on the nature of the problem today."

To what problem were you referring at that point?

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ryhoward 1 A What problem?

2 Q Uh huh.

3 A In Central America?

4 Q Yes.

5 A The problem of the Nicaraguans being under the

6 control of the Sandinista government, specifically, and the

7 other problems of revolution that follow from that.

8 MR. MC GOUGH: Let's have this marked as

9 Deposition Exhibit 8.

10 THE COURT REPORTER: No. 8.

11 (The document referred to was marked

12 for identification as Hooper

13 Deposition Exhibit No. 8.)

14 BY MR. MC GOUGH:

15 Q Do you recognize that exhibit?

16 A Yes.

17 Q That is a letter dated May 6th, 1986, from Ms.

18 McLaughlin to you, is it not?

19 A Yes, it is.

20 Q It refers, does it not, to a meeting with your

21 brothers.

22 Is that right?

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ryhoward 1

A Yes.

2

Q I believe the specific reference is, "I wanted to

3

let you know that Ollie would be available to meet" --

4

A Able to.

5

Q I'm sorry. "Would be able to meet with your

6

brothers, either here in Philadelphia, if they would like."

7

Ollie -- you understood that to be Colonel North.

8

Is that right?

9

A Yes.

10

Q What was the meeting about? Had you requested a

11

meeting for your brothers?

12

A No, I had not. This was unsolicited, this

13

statement.

14

Q How many brothers do you have?

15

A I have four.

16

Q And Ralph being one of them. Who are the others?

17

A Thornton Hooper, Adrian Hooper, Thomas Hooper.

18

Q Do you know which of those brothers she was

19

referring to in that paragraph?

20

A It would have been my brothers Adrian and Tom, who

21

are directors of the Elizabeth Hooper Foundation, I

22

imagine.

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ryhoward 1 Q Had you raised that possibility with her, that
2 Adrian and Tom might be interested in meeting Col. North?
3 A No, I had not raised this possibility with her.
4 Q All right.
5 A If I may elaborate --
6 Q Sure.
7 A -- nothing ever came of that. I didn't reply to
8 that offer.

9 MR. MC GOUGH: Let's have this marked as the next
10 deposition exhibit.

11 THE COURT REPORTER: No. 9.
12 (The document referred to was marked
13 for identification as Hooper
14 Deposition Exhibit No. 9.)

15 BY MR. MC GOUGH:

16 Q I show you Deposition Exhibit No. 9, a letter that
17 appears to be from you to Ms. McLaughlin, dated May 27,
18 1986.

19 A Yes, that is mine.

20 Q Is that the cover letter that you sent with your
21 contribution?

22 A That's the cover letter that went with the

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ryhoward 1 \$100,000 check from the Elizabeth Hooper Foundation.

2 Q And I believe that's a part of Deposition Exhibit

3 2, is it not?

4 A That's correct.

5 Q And that signature bears -- I mean that check

6 bears two signatures. One is yours. Is that correct?

7 A One is mine and the other is Thomas Hooper.

8 Q And Thomas is your brother?

9 A Yes.

10 Q And also a trustee of the foundation.

11 A That's correct.

12 Q What, if anything, did you tell Thomas Hooper

13 about the purpose of the contribution?

14 A Thomas and Adrian, or Thomas would have been told

15 that this was going for Contra aid. He would have also

16 been told that it was within the purview of the foundation

17 to do so.

18 Q Would you have told him what kind of aid it was

19 going for?

20 A Would we, we would have said nonlethal aid, yes.

21 I really don't recall a conversation, particularly, or a

22 meeting.

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ryhoward 1 Q My next question was going to be, would this have
2 been taken up at a meeting of the trustees or regular
3 meeting of the trustees?

4 A No, this was an informal approval because our
5 meetings are held in June. This was an informal approval
6 among the four of us.

7 Q Would you have had to solicit the approval of two
8 of your other brothers? Would you need three people in
9 favor of that transaction?

10 A I think so, yes.

11 Q But there was no meeting and there would be no
12 minutes of that meeting.

13 Is that right?

14 A I'm not sure whether there's minutes of that or
15 not, frankly. I will look and see.

16 Q Would you do that?

17 A Sure. I'd better take a note.

18 (Pause.)

19 Q Now that letter includes, does it not, the
20 statement, "Please have Ollie contact me to let me know
21 what he is going to do with it, if that is possible."

22 And, again, "Ollie" is Col. North. Is that right?

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ryhoward 1

A (Nods in the affirmative.)

2

Q What did you mean, "if that is possible"?

3

A If that is possible would be if he would be in a

4

position to call me.

5

Q Did you have any doubt about your right to know

6

where the \$100,000 was spent?

7

A Is it okay if I refer to some notes, or would you

8

rather I didn't? I had to write my thoughts down on this,

9

but if you don't want me to, I can narrate it.

10

Q You can refer to them, but they're going to become

11

deposition exhibits if you do that. The choice is yours.

12

A Well, it might be better. I just wrote this last

13

night.

14

Q Okay. Let's put a clip on it and mark it as a

15

deposition exhibit, anything you're going to refer to.

16

A Terrible penmanship, though.

17

THE COURT REPORTER: This is No. 10.

18

(The document referred to was marked

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for identification as Hooper

20

Deposition Exhibit No. 10.)

21

THE WITNESS: Now the reason I wrote this down is

22

because I think, in order to make that sentence clear, it

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ryhoward 1 has to be in some kind of order.

2 Do you want me to read it?

3 BY MR. MC GOUGH:

4 Q Either read it -- but I think I have an
5 outstanding question.

6 A Go ahead.

7 Q The question is, I believe the question was did
8 you feel that you had a right to know where the \$100,000
9 was spent?

10 A No.

11 Q Why?

12 A I felt that I had a right to know that NEPL was
13 going to allow Col. North to direct where those monies
14 would go.

15 Do you want me to elaborate?

16 Q (Nods in the affirmative.)

17 A Jane McLaughlin had told me that all monies that
18 we gave would go to aid for the Contras. Now, when I say
19 all monies, I think the matter at this time was a future
20 contribution. We had already given money.

21 This was in her attempt to get us to give more
22 money. Not only that it would all go to aid for the

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ryhoward 1 Contrás, but that it would be undiminished by overhead of
2 NEPL or any other organization, okay?

3 I did not trust entirely that what she said was
4 the whole truth. The sentence in that letter of May 27th
5 I'm referring to, I did not word that sentence directly in
6 that it could have read to show my intent, "I want Ollie to
7 assure me that he directed 100 percent of the monies that I
8 am sending to aid to the Contrás."

9 I did not want, nor did I need to know how many
10 boots, bandages, food supplies, et cetera, it was going to
11 buy.

12 I intended in this sentence to convey that I might
13 be willing to check on the performance of NEPL, and I wrote
14 a note which is somewhat irrelevant, but as an example,
15 "Did donors want to provide Palm Springs mansions to the
16 operators of PTL Club?"

17 That I wrote last night.

18 Q Just so the record is clear, this was written last
19 night as you contemplated the deposition today?

20 A Yes.

21 Q I noticed that there were two pages of notes that
22 you took out. The second, does it also deal with this

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ryhoward 1 deposition?

2 A It deals with the deposition, yes, but not exactly
3 your question of the moment.

4 Q Is it a document responsive to the subpoena that
5 we served upon you?

6 A Yes, I have no problem.

7 Q If you have no problem, but let's put it out and
8 mark it as an exhibit. Give it to the Court Reporter and
9 he'll make it Exhibit 11.

10 THE COURT REPORTER: No. 11

11 (The document referred to was marked
12 for identification as Hooper
13 Deposition Exhibit No. 11.)

14 BY MR. MC GOUGH:

15 Q I'll just take a minute to examine it, if that's
16 all right with you.

17 (Pause.)

18 A Would you mind if I got copies of that?

19 Q No, I'll make copies of it. Did you ever receive a
20 reply specifically to that inquiry; that is, let me know
21 what he is going to do with it?

22 A I never.

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ryhoward 1

Q Did that concern you?

2

A No, it really didn't. I just more or less let it

3

pass by. And this is something I haven't told other people

4

because it is irrelevant. My daughter was getting married

5

on June 14th and I had more important things to do.

6

Q If you had thought about it at that time, or when

7

you thought about it at that time, did the lack of an

8

answer cause you to suspect perhaps NEPL's bona fides

9

regarding that \$100,000?

10

A It didn't. It, frankly, passed from my mind.

11

Q Did you send a copy of this letter, by any chance,

12

to Col. North?

13

A No, sir, I did not.

14

Q After that date, did you ever hear from or see

15

Col. North again?

16

A No, sir. Pardon me -- by letter, allegedly by

17

letter, yes, but no conversation or meeting. I think I have

18

a letter that might be appropriate now.

19

Q Let's mark it as an exhibit while we're on it.

20

THE COURT REPORTER: This is No. 12.

21

22

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ryhoward 1

(The document referred to was marked

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for identification as Hooper

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Deposition Exhibit No. 12.)

4

BY MR. MC GOUGH:

5

Q I show you Deposition Exhibit 12. Is that the
6 letter to which you were referring?

7

A No, I'm referring to one of May 2nd, which is more
8 in chronological sense.

9

Q All right. That one I gave you marked Deposition
10 Exhibit 11 is dated July 23 -- Exhibit 12 is July 23. I
11 have a copy of that letter, but I want to locate another
12 copy of it to mark as an exhibit.

13

MR. MC GOUGH: Make this Exhibit 13.

14

THE COURT REPORTER: 13.

15

(The document referred to was marked

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for identification as Hooper

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Deposition Exhibit No. 13.)

18

BY MR. MC GOUGH:

19

Q Is this the letter that you received from Col.
20 North?

21

A Yes, it apparently is.

22

Q All right. You also received, did you not, what

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ryhoward 1 has been identified as Exhibit 12; that is, a letter dated
2 July 23.

3 A Yes.

4 Q So you got two letters from him, to the best of
5 your recollection.

6 A Yes. That's all I can recall.

7 Q All right. After that time, after your donation of
8 \$100,000, did the people at NEPL continue to solicit your
9 support?

10 A Yes.

11 Q And did you in fact continue to support them?

12 A I didn't give support to NEPL, but I gave, in
13 September, a personal check at the request of Jane
14 McLaughlin to something that is called the Anti-Terrorism --

15 Q American Committee.

16 A -- American Committee, yes.

17 Q I show you what has been marked as Deposition
18 Exhibit 14.

19 (The document referred to was marked
20 for identification as Hooper
21 Deposition Exhibit No. 14.)
22

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.ryhoward 1

BY MR. MC GOUGH:

2 Q That is the check that you gave to ATAC?

3 A This is from my checking account, Bruce H. Hooper,
4 yes.5 Q What did you understand to be the purpose of that
6 contribution?7 A The purposes of this, my understanding, was to
8 form and support a media campaign through television and
9 written media to bring to the attention of voters in
10 various congressional districts the votes of their
11 congressmen who had voted against Contra aid. And the one
12 name that she mentioned to me, and she may have mentioned
13 others, but I can't recall, was Michael Barnes of Maryland.14 Q At this point, am I correct that you had not
15 received back word on the disposition of your \$100,000,
16 either from Col. North or from NEPL?

17 A No.

18 Q And you nevertheless contributed an additional
19 \$3000 to a NEPL-sponsored political action committee.

20 Is that a fair --

21 A Whether it was NEPL-sponsored, it came from Jane
22 McLaughlin.**UNCLASSIFIED**

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ryhoward 1 Q The solicitation came from Jane McLaughlin.

2 A The association, yes.

3 Q At the time you made that contribution of \$3000,

4 did you make any further attempt to find out where your

5 \$100,000 contribution had been spent?

6 A No.

7 Q Why not?

8 A I can't give you a reason; I just didn't.

9 Q Did there come a time in November of 1986 when you

10 had lunch with Ms. McLaughlin and Mr. Channell?

11 A Yes.

12 Q Was that the first time that you had met Mr.

13 Channell?

14 A Yes.

15 Q Can you tell me how that luncheon came about?

16 A In a telephone conversation prior to that with

17 Jane McLaughlin, I told her that I would be coming to

18 Washington, D.C. on the 17th of November to attend a

19 dinner, and that I could see her the next day.

20 Therefore, she arranged for me to meet with her on

21 the 18th of November. I met with her in her offices and

22 then she and I met Carl Channell at the Hay Adams Hotel for

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.ryhoward 1 lunch.

2 Q Where were their offices located?

3 A I'm not sure of the address. I think I made a note
4 on there. I couldn't read it. Their new offices.

5 Q The newer offices.

6 A The newer offices, yes.

7 Q All right.

8 A I don't know the address.

9 Q Was there any discussion at lunch of the Contra
10 effort?11 A To this extent. I was asked by Carl Channell, and
12 maybe Jane, to donate somehow \$10,000 to help Col. North
13 make a secret trip, by that, a clandestine trip, private
14 trip, to Central America, that this trip had to be paid for
15 with private funds because it was meant to be a secret
16 trip.17 And I gave no reply as to a yes or no to that
18 request. The second request at that luncheon was to
19 consider a contribution to help them operate or establish a
20 radio station
21
22

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ryhoward 1

To that request, I made no reply one way or

2 another.

3 Q Did you make any reply to their request for
4 \$10,000?

5 A I made no reply.

6 Q Was there a point in the conversation where you
7 were asked to call Col. North by another name?

8 A Yes. Carl Channell, I believe, said, "Let us
9 refer to him as Green at this table."

10 Q Now, did you find that request unusual, either by
11 itself or in conjunction with the request for \$10,000 to
12 fund the trip?

13 A Which request?

14 Q The request that you refer to the name Green.

15 A No, I didn't find that unusual at all because
16 there were other diners within earshot.

17 Q Did you find it unusual -- you knew at that point,
18 at that time, that Col. North was a government official?
19 You knew that he was employed by the National Security
20 Council?

21 A Oh, yes. I had known that since much earlier.

22 Q Did you find it unusual that you were being

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ryhoward 1 solicited for money to send a government official on a
2 mission?

3 A No, I did not find that unusual.

4 Q Why not?

5 A I didn't ask why. I just didn't ask why.

6 Q Why not?

7 A I really don't know how to answer the question.

8 Q Well, let me see if I can set it up a little
9 better, a little more clearly.

10 You're aware that Col. North was an employee of
11 the National Security Council.

12 A Uh huh.

13 Q You were aware that in the course of those duties
14 at the National Security Council, he would indeed travel to
15 places.

16 Is that right?

17 A Uh huh.

18 Q Had you ever in your experience heard of a request
19 of private donors to send a government official on a
20 clandestine or nonclandestine mission?

21 A I don't know that I heard of it, but I didn't find
22 that unusual. If I may explain.

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Q Please.

2

A Government officials make secret trips. For

3

instance, Kissinger to China. Now maybe he made that with

4

private donations or covered his tracks. So I wouldn't

5

find that unusual at all.

6

Q You say covered his tracks.

7

A Right, covered his tracks. When Kissinger went to

8

China, he did it in a devious route, which I don't know how

9

he did it, but evidently, nobody else knew, except a few

10

people, that he went to China.

11

So I assume that these high officials will make

12

trips that they can cover, so that is not unusual thinking

13

to me.

14

Q As a former military officer --

15

A I think I understand that. From my education, I

16

can understand that type of intelligence ^Poperation, yes,

17

sir.

18

Q You've heard of the Central Intelligence Agency, I

19

gather.

20

A Yes, sir.

21

Q And you know that they are the body that is

22

responsible for clandestine activities in this country, or

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overseas.

2 A That is one of them, yes.

3 Q Let me ask the question this way. In your life,
4 had you ever heard of, or are you aware of any other
5 situation, apart from speculations how something might have
6 happened, are you aware of any other situation where
7 private donations were solicited to send a government
8 official on a mission?

9 A Not to my knowledge.

10 Q Did you turn them down flat or did you tell them
11 that you would consider their request?

12 A I think I did not turn them down flat. I don't
13 recall. I probably said, I'll think about it. That would
14 be my style.

15 MR. MC GOUGH: Let's mark this as the next
16 deposition exhibit number.

17 THE COURT REPORTER: This is 15.

18 (The document referred to was marked
19 for identification as Hooper
20 Deposition Exhibit No. 15.)

21 BY MR. MC GOUGH:

22 Q Would you just identify that for the record?

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2 A This is a letter which I wrote on November 11th,
3 1986, to Col. Oliver North, in his office location.

4 Q Did you ever receive a response to that letter?

5 A No.

6 Q After the \$3000 contribution that's been marked as
7 Exhibit 14, did you make any additional contributions to
8 NEPL, ATAC or any other entity affiliated with them?

9 A None whatsoever.

10 Q To your knowledge, did your brothers or any of the
11 foundations with which you're associated make any such
12 contributions?

13 A To my knowledge, no.

14 Q Other than Col. North, in the course of your
15 dealings with NEPL, did you have contact with any other
16 government officials, either personal or by correspondence?

17 A Would you repeat that?

18 Q Sure. Other than setting aside Col. North, in
19 your dealings with NEPL or through NEPL, did you have
20 contact with any other government officials?

21 A No, if you don't include his secretary. I met her
22 in the office.

Q Other than Ms. McLaughlin and Mr. Channell, did

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you have any contact with any other NEPL people?

2 A I met one Littledale, whose name is either Chris
3 or Cliff Littledale, on the 18th of November in their
4 offices. And I met that day one, Angela Davis of NEPL.
5 And I may have greeted in a passing way some other
6 employees in their office whose names I do not recall.

7 Q Other than that meeting in November for lunch, did
8 you have any other contact with Mr. Channell?

9 A Yes. At that luncheon, he asked me early if I
10 could stay in Washington that night to attend a dinner.
11 And I first said, no. I thought I'd go back to the
12 Philadelphia area. But he told me what the dinner was
13 about and he persuaded me, and I was persuaded, I should
14 say, to stay.

15 It was black tie and I didn't have a tux, but one
16 of his people lent me a bowtie. So I attended the dinner
17 at, I believe it was the Mayflower Hotel, that was under
18 the auspices of the Ethics and Policy Center of Mr. Ernest
19 LeFeuver. It was a big dinner and an honor for William
20 Buckley. President Reagan was speaking, which was
21 persuasive reason for me to go. Charlton Heston was the
22 MC. And I sat at Carl Channell's table.

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ryhoward 1 Q Other than that evening, or that day, where you
2 had lunch and dinner with Mr. Channell, did you have any
3 other contact with Mr. Channell in your dealings with NEPL?

4 A The next contact I had with Mr. Channell was a
5 phone conversation that took place early in 1987, and I
6 believe it was January. As a matter of fact, I know it was
7 in January, but I can't remember what day.

8 Q Who initiated the telephone conversation?

9 A He called me and asked me to meet with his lawyer
10 because he wanted me to give her, Alexia Morrison by name,
11 some information. I said, what information? He said,
12 well, you had a meeting with Col. North and Jane McLaughlin
13 and I was not present and I'd like my lawyer to learn what
14 was the content of that meeting.

15 So he gave me her phone number and sometime later
16 I contacted her because I was coming to Washington on or
17 about February 7th, 1987, to go to a dinner at the
18 Marriott. I told the woman that I could meet her Saturday
19 afternoon and try to answer her inquiries. Which I did. I
20 met with Alexia Morrison and Ms. Lubin, I think is her
21 name, an associate in that firm.

22 Ms. Lubin took notes and Ms. Morrison asked me

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ryhoward 1 some questions, one, to tell me about the meeting with Col.
2 North, which I did. And two, she had me verify
3 contributions, all of which I had testified here today,
4 which I think there are four different contributions that I
5 had something to do with.

6 And that was what she wanted. I asked Ms.
7 Morrison, what is the matter here? And she said, for
8 instance, I asked her, what's happened with Jane McLaughlin
9 and Carl Channell? She said words to this effect -- "I
10 don't know what's happened to her, but she's gone and
11 blabbed to the press," or words to that effect, okay? But
12 I didn't pursue any details with her on what the matter at
13 issue was.

14 And that is the only contact I've had with Carl
15 Channell, was that phone call and then the meeting at his
16 request with Alexia Morrison.

17 Q I note that, without marking it as an exhibit and
18 burdening the record, you received a letter from Ms.
19 McLaughlin on the letterhead of the Free World Foundation.

20 A Yes.

21 Q In January of 1987. Did you respond to that
22 letter?

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ryhoward 1 A No. But I received a phone call from her sometime
2 in -- I can't recall the date of the phone call, I really
3 can't. And she said that she had left association with
4 Carl Channell and his organization. I can't remember how
5 she stated it. She said, and I have to say in effect. I
6 can't remember exact words, except she said, I was
7 disgruntled or disenchanted because she felt that the
8 donors and Col. North had been misled by Carl Channell.
9 And she was bitterly disappointed and upset that it's
10 happening. And that's what she told me.

11 Q Did she say how they had been misled?

12 A She did not say how she was misled and I didn't
13 ask her. This was a telephone conversation and I did not
14 feel like expanding on that conversation further than what
15 she had offered, so I didn't ask her.

16 Q Other than the contacts you related to us already,
17 have you had any other contacts with people from NEPL,
18 either who might presently be with them or who were at one
19 time?

20 A I don't think I gave it to you, but I received a
21 cover letter with a newspaper ad from something called
22 Sentinel recently. Is it appropriate?

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1 ryhoward 1 Q Do you have it?
 2 A If I have it.
 3 Q If you have it, I'd like to see it.
 4 (Pause.)
 5 A If I don't have it, I wonder if Bill Davis has it.
 6 (Pause.)
 7 I don't have it.
 8 Q Let me check with Bill.
 9 A Either that or I could have given it yesterday to
 10 Mr. Zornell. I've related this tale so much, I forget.
 11 This was simply a letter from something called Sentinel,
 12 that said, I'm enclosing this ad for your information. It
 13 was signed by somebody by the name of Flores, as I recall,
 14 F-l-o-r-e-s, of whom I had never heard. It was a one-page
 15 ad in the newspaper, and I can't even recall the total
 16 thrust of it. It had to do with Nicaragua.
 17 Q How recently did you receive this?
 18 A It was a March newspaper, mid-March, and I just
 19 don't remember even what newspaper it was in. If I may
 20 elaborate, there was no request for money. It just said,
 21 enclosed, find this newspaper ad.
 22 Q Did you ever hear of something called the TOYS

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Project?

2 A I heard of TOYS through the news media in recent
3 months, weeks.

4 Q Outside what you read in the newspaper, did anyone
5 ever mention or discuss the TOYS Project with you?

6 A No, sir.

7 Q Did you ever hear of an organization called
8 International Business Communications, or IBC?

9 A No, sir.

10 Q Did you ever --

11 A May I say that I've heard this only through news
12 media since.

13 Q Outside what you've read in the newspapers.

14 A Okay, no.

15 Q Did you ever have any contact with a Richard
16 Miller?

17 A No, sir.

18 Q Did you ever have any contact with a Frank or
19 Francis Gomez?

20 A No.

21 Q Did you ever have any contact with a David Fisher?

22 A No.

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MR. MC GOUGH: Let's take a minute, Mr. Hooper,

2 while I talk to my cocounsel here and see if there's

3 anything we've missed.

4 (Recess.)

5 MR. MC GOUGH: I believe Mr. Fryman has just a few

6 questions that he wants to ask.

7 EXAMINATION

8 BY MR. FRYMAN:

9 Q Mr. Hooper, first, I just want to note for the
10 record that in advance of the deposition today, you were
11 given a subpoena from the House of Representatives calling
12 for your appearance here today.

13 You had previously received the subpoena from the
14 Senate and this morning you were given a subpoena from the
15 House.

16 A Oh, yes, correct.

17 Q And you were also given copies of the House rules
18 relating to this investigation.

19 A Yes.

20 Q And the resolution establishing the House Select
21 Committee.

22 A Yes.

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1 Q I believe you indicated you met yesterday with
2 representatives of the independent counsel's office.

3 Is that correct?

4 A That's correct.

5 Q Did you stay in Washington last night or did you
6 return to Philadelphia?

7 A I stayed.

8 Q Did you stay in a hotel here in town?

9 A I stayed in the Sheraton Grand Hotel.

10 Q All right. You produced some notes this morning
11 that you made last night in your hotel room that related to
12 certain of the documents that have been marked as exhibits
13 here today.

14 A Yes.

15 Q In connection with preparation of those notes, did
16 you have any discussions with anyone?

17 A No.

18 Q Did you make any --

19 A I talked with my wife last night and I discussed
20 what had happened during the day.

21 Q But did you discuss the substance of the notes
22 with anyone?

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A No.

2 Q Did you make any phone calls last night other than
3 to your wife?

4 A Yesterday, I talked to a lawyer by the name of
5 Steve Shulman, and I went to his office. He wanted to hear
6 what had gone by in the grand jury.

7 Q What do you understand Mr. Shulman's role to be?

8 A Shulman is an attorney that -- I forget the name
9 of the firm -- that my brother Ralph had been in contact
10 with.

11 I called him because I said to him, now I've been
12 through the grand jury, but this meeting tomorrow, I'm not
13 sure what the nature of this -- and he said, do you have a
14 subpoena? And I said, yes. And I showed him the subpoena
15 and he made some comments that it was terribly broad. And
16 I said, I'm just concerned whether I need to have an
17 attorney tomorrow.

18 I also told Mr. Shulman that I had seen Mr. Davis
19 and he said, I don't think you need an attorney tomorrow.

20 Q Mr. Shulman has an office here in Washington.

21 Is that correct?

22 A Yes.

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1 Q And you do not remember the name of the firm?

2 A The address is 1333 New Hampshire -- Cadwallader,

3 et cetera.

4 Q Cadwallader, Wickersham and Taft?

5 A Right.

6 Q Do you understand that Mr. Shulman is representing

7 any other individual or organization in connection with

8 this investigation?

9 A No. He has been representing my brother Ralph to

10 a certain extent. That's how I got his name.

11 Q In connection with this investigation?

12 A I believe so, but I'd rather not speak for my

13 brother Ralph.

14 Q Do you know if your brother has testified in

15 connection with this investigation?

16 A He testified before the grand jury yesterday. And

17 it's my understanding that our presence before that grand

18 jury is secret. Not only our testimony, but the fact that

19 we were there.

20 Is that correct?

21 MR. MC GOUGH: Let me speak to that. It is correct

22 in the sense that neither the government, nor the grand

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ryhoward 1 jurors are at liberty to discuss it. It is confidential as
2 to them. It's also correct in the sense that you do not
3 have to discuss it if you do not so wish. On the other
4 hand, it is not secret in the sense that you cannot, if you
5 so desire, describe what happened before the grand jury.

6 THE WITNESS: I understand that.

7 BY MR. FRYMAN:

8 Q You mentioned that you met with Mrs. Morrison, who
9 was acting as counsel for Mr. Channell.

10 A Yes.

11 Q Have you only met with her once?

12 A Yes.

13 Q Have you ^poken with her more than once?
A

14 A No.

15 Q Did she or any of her associates ask you to report
16 back to her after any meetings you had with any
17 investigators?

18 A No, sir.

19 Q Mr. Hooper, in the materials that you produced,
20 there is a letter from Elliott Abrams, who is an official
21 of the State Department.

22 A Yes.

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1 Q And there is also an invitation to a reception at
2 which Mr. Abrams was going to appear.
3 A Yes.
4 Q Have you ever met Mr. Abrams?
5 A No, sir.
6 Q Did he ever appear at any of the meetings that you
7 attended?
8 A No, with the possible exception that he may have
9 been in that big grand ballroom. But I was not with him.
10 There were a lot of people there, so --
11 Q He never spoke.
12 A He never spoke or I think I haven't even seen him
13 personally.
14 Q All right.
15 (Pause.)
16 MR. FRYMAN: I have no further questions.
17 THE WITNESS: Did you understand what I told you
18 about these notes?
19 MR. MC GOUGH: I believe we've got it on the
20 record and I think, having reviewed them -- these notes,
21 being Deposition Exhibits 10 and 11.
22 THE WITNESS: That I made last night.

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MR. MC GOUGH: Yes. Mr. Buck?

2

EXAMINATION

3

BY MR. BUCK:

4

Q Mr. Hooper, my name is Ken Buck and I'm the
assistant minority counsel with the House Select Committee.

6

Could you tell me, what was your personal
impression of Oliver North? What kind of person did you
think he was?

9

A He was an impressive person.

10

Q In your meeting with Mr. North at his office, did
he ever ask you for money?

12

A He did not.

13

Q Did he ever tell you that someone else would be
asking you for money?

15

A He did not.

16

Q So your contribution was never raised at that
point.

18

A That is correct.

19

Q Okay. Going into the office, did you assume that
the reason that you were meeting with Mr. North was to
contribute?

22

A I stated the reasons for the meeting. I wanted a

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aryhoward 1 briefing on Central America and I also would have felt more
2 comfortable if he were directing the monies, which one
3 could assume from our meeting, since Jane McLaughlin was in
4 the room, that he had something to do with the direction of
5 the money. That gave me comfort, okay?

6 Q Right. I see that in the explanation. I'm
7 referring to Deposition Exhibit No. 10.

8 A Yes.

9 Q The word that I need for you to explain to me is
10 "direct." What sort of direction did you anticipate --

11 A Okay, that he would -- that word "direct" -- let
12 me see if I can --

13 (Pause.)

14 Q "I want Ollie to assure me that he directed 100
15 percent of the monies that I am sending."

16 A Yes, that he would tell NEPL, for example, where
17 to send the money. That's my assumption.

18 Q Okay.

19 A That is what that word means, to answer your
20 question, that he would tell someone where to send the
21 money, yes.

22 Q Bear with me, I just want to get a little more

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aryhoward 1 comfortable with your use of that word.

2 Did you anticipate that Mr. North would determine
3 how many band aids and how many guns, or did you think that
4 Mr. North would direct money to the Contras, as opposed to
5 another project?

6 A I did not know.

7 Q You didn't know.

8 A No. I assumed that he would direct the money that
9 we had and would give to NEPL somewhere.

10 Q You also seemed to be concerned with the overhead
11 that NEPL might be keeping from you. You mention again in
12 Exhibit 10, "I did not trust entirely what she said was the
13 whole truth."

14 Was that referring to --

15 A That refers to a statement that all of the monies
16 that we were giving were going to go undiminished to aid
17 for the Contras.

18 Q Okay.

19 A And that's not the usual with an organization.

20 Q What type of overhead did you think they might be
21 keeping? Did you have any kind of percentage idea?

22 A No, I have no idea what the overhead is or any

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ryhoward 1 other organization.

2 Q Okay. Would you be surprised if it was 10
3 percent?

4 A No. That sounds probably low for an organization
5 like this.

6 Q Would you be surprised if it was 35 percent?

7 A No.

8 Q Had you heard of the Boland amendment?

9 A Yes, I heard of it, but I cannot -- well, what
10 does it mean? It meant, I believe, that the U.S. Government
11 could not give military aid directly or indirectly to so-
12 called Contras. That's my understanding of it.

13 Q And when you met with Mr. North, did you think
14 about your conversations at all in connection with the
15 Boland amendment?

16 A Would I have thought about it? Yes, to the extent
17 that armaments were forbidden to be supplied by government
18 officials, yes.

19 Q So were you surprised that Mr. North may be able
20 to direct private monies towards --

21 A No, I was not surprised.

22 Q I'm referring now to Deposition Exhibit No. 11,

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aryhoward 1 Mr. Hooper. In paragraph 1, it states, "I assume that it
2 would be illegal for monies of our foundations to be so
3 used."

4 A Referring to armaments.

5 Q Referring to armaments. So your impression at the
6 time that you donated monies was that none of those monies
7 was used for armaments.

8 A That is correct.

9 MR. BUCK: I have no further questions.

10 MR. MC GOUGH: I believe you're excused, Mr.
11 Hooper.

12 (Signature not waived.)

13 (Whereupon, at 10:40 a.m., the taking of the
14 deposition was concluded.)

15

16

Bruce H. Hooper

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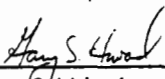
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CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, Gary S. Howard, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.



Notary Public in and for the
District of Columbia

My Commission Expires November 14, 1990.

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Corrections to Hager Letter

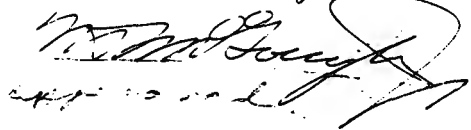
Page 32, Line 14.

The above was in line 14 of the original
Page 32, Line 16.Line 13: "The above was in line 14 of the original
Page 32, Line 16."

Page 32, Line 14: "Would Read:
 A. There is a single one one
 substituted "one to NEPL somewhere" one one
"to the NEPL somewhere" one one

→ "be given to the question
 of contra aid."

 Bruce H. Hager



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UNITED STATES OF AMERICA
Congress of the United States

To Bruce Hooper

, Greeting:

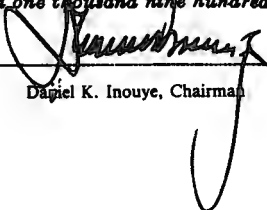
Pursuant to lawful authority, YOU ARE HEREBY COMMANDED to appear before the SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION of the Senate of the United States, on April 1, 1987, at 9 o'clock a.m., at their committee room Hart Senate Office Building, 9th Floor, then and there to testify what you may know relative to the subject matters under consideration by said committee.

Pursuant to Committee Rule 6, this subpoena directs appearance at the deposition whose notice accompanies it. You must bring with you the materials listed in the attached Schedule.

Perceat fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To any Select Committee staff member or U.S. Marshal to serve and return.

Given under my hand, by order of the committee, this
23 day of March, in the year of our
 Lord one thousand nine hundred and eighty-seven


 Daniel K. Inouye, Chairman



UNITED STATES OF AMERICA
Congress of the United States

Notice of
Senate Deposition

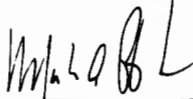
To Bruce Hooper

Greeting:

Please take notice that at 9 o'clock a.m., on April 1
 19 87, at Hart Senate Office Building, 9th Floor

*of the staff of the Select Committee on Secret Military Assistance to Iran and the Nicaraguan
 Opposition of the Senate of the United States, will take your deposition on oral examination
 concerning what you may know relative to the subject matters under consideration by said
 Select Committee. The deposition will be taken before a notary public, or before some other
 officer authorized by local law to administer oaths; it will be taken pursuant to the Select
 Committee's rules, a copy of which are attached.*

Given under my hand, by authority vested in me by
 the Select Committee on Secret Military
 Assistance to Iran and the Nicaraguan
 Opposition on March 23, 1987



SCHEDULE -- BRUCE HOOPER

1. The respondent to this subpoena shall produce all materials pertaining, referring, or relating in any way whatever to:

a. Carl R. Channell and/or any entity with which Carl R. Channell is or was associated, including, but not limited to (i) National Endowment for the Preservation of Liberty, (ii) Channell Corporation, (iii) Sentinel, (iv) American Conservative Trust, (v) American Conservative Foundation, (vi) Grow Washington, (vii) Hill-Potomac Group, (viii) Western Goals Endowment Fund, (ix) Western Goals Foundation, (x) Anti-Terrorism American Committee, and (xi) American Conservative Trust State Election Account;

b. Richard R. Miller and/or any entity with which Richard R. Miller is or was associated, including, but not limited to (i) International Business Communications, Inc., (ii) Institute for North-South Issues, (iii) I. C., Inc., (iv) Intel Co-Operation, Inc., and (v) World Affairs Counselors, Inc.

c. Dan H. Kuykendall and/or any entity with which Dan H. Kuykendall is or was associated, including, but not limited to, the Gulf and Caribbean Foundation;

d. Robert Owen and/or any entity with which Robert Owen is or was associated, including, but not limited to (i) Institute for Democracy, Education, and Assistance, (ii) Council for Democracy, Education, and Assistance, and (iii) Institute on Terrorism and Subnational Conflict;

e. the involvement of Oliver L. North, Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen in political advocacy or campaigns or efforts to influence public opinion or legislation relating to anti-government forces in Nicaragua commonly known as the Contras;

f. ^{F-2} the use of any funds that were at any time under the control of Oliver L. North, Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen in political advocacy or campaigns or efforts to influence public opinion or legislation relating to anti-government forces in Nicaragua commonly known as the Contras;

g. Toyco S.A., a monetary account referred to as "Toys", or any other account or entity with the word "Toy" in the name;

h. communications between Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen and White House personnel, or between any of those individuals and any third party relating to White House personnel, including, but not

- 2 -

limited to, any communications with or relating to Oliver L. North or President Ronald Reagan.

i. any contract, agreement, or consultant arrangement involving, or any compensation from, any department, division, or agency of the United States government, any State or political subdivision thereof, or any foreign government or political subdivision thereof, whether executed or not;

j. any transaction with any bank or financial entity in Switzerland, Panama, Bermuda, or the Cayman Islands;

k. (i) any arms transaction directly or indirectly through any third party with Iran, Israel, Manucher Ghorbanifar, Albert Hakim, Adnan Khashoggi, Yaacov Nimrodi, Amiram Nir, Adolph (Al) Schwimmer, Richard Secord, or John Singlaub; (ii) any arms transaction directly or through any third party, with Lake Resources, Inc., or any company or entity owned by, controlled by, or affiliated with, the previously named persons or company; (iii) any arms transaction directly or indirectly through any third party with anti-government forces in Nicaragua commonly known as the Contras or any other person or entity in Nicaragua; and/or (iv) any transaction to or from any person or entity of TOW missiles, Hawk antiaircraft missiles or parts, or F-14 aircraft parts;

l. any American citizen held hostage;

m. the anti-government forces in Nicaragua commonly known as the Contras, including, but not limited to, the provision of financial, military, or other assistance or support of any kind to, or for the benefit of, such forces, or any person or entity now or formerly associated with such forces, whether in Nicaragua or elsewhere;

n. for Bermuda, the Cayman Islands, Costa Rica, Denmark, El Salvador, Guatemala, Honduras, Hong Kong, Iran, Israel, Liberia, Lichtenstein, Nicaragua, Portugal, Saudi Arabia, and Switzerland, (i) any correspondence, telex, or other oral or written communication to or from any person or entity located in these countries, or (ii) any statement, check, deposit slip, or other material relating to any bank or financial institution account in located in these countries; or

o. any tax record of any kind, including, but not limited to, any federal, state, and local filing, accompanying schedules, supporting documents, and work papers relating to such record;

- 3 -

p. any communication service, including, but not limited to, local and long distance telephone service, mobile telephone service, paper, telex, telecopy, and expedited mail service; or

q. any person or entity listed in Appendix A hereto.

2. The term "materials" as used in this subpoena includes any book, note, record, check, cancelled check, bank statement, correspondence, memorandum, paper, calendar, or any other document, recording, or data compilation from which information can be obtained, which are owned by you or which are in any way subject to your possession, custody, or control or that of any agent of yours.

3. If your or your counsel have any questions regarding this subpoena, please contact James E. Kaplan or Timothy C. Woodcock at (202) 224-9960.

APPENDIX A

1. Any of the following persons:

Bermudez, Enrique	Lilac, Robert
Calero, Adolfo	McMahon, Steve
Calero, Mario	McFarlane, Robert
Cameron, Bruce	F. Andy Messing, Jr.
Conrad, Daniel L.	Montes, Oscar
Chamorro, Pedro	Nimrodi, Yaacov
Cooper, William J.	Nir, Amiram
Clines, Thomas	North, Oliver L.
Cruz, Arturo	Poindexter, John
Cruz, Arturo, Jr.	Quintero, Rafael
de Senarclens, Jean	Robelo, Alfonso
Dutton, Robert	Robles, Rodolfo
Fischer, David	Rodriguez, Felix aka Max Gomez
Furmark, Roy	Rose, Jose Bueso
Gadd, Richard	Sacasa, Marrio
Garnel, Jose	Sanchez, Aristides
Ghorbanifar, Manucher	Schwimmer, Adolph (Al)
Gomez, Francis	Secord, Richard V.
Hakim, Albert	Shackley, Theodore
Hashemi, Cyrus	Singlaub, John L.
Hull, John	Soghanalian, Sarkis
Kashoggi, Adnan	Sommeriba, Leonardo
Kimche, David	Wilson, Edwin
Ledeem, Michael	von Marbod, Erich.
Lilac, Robert	Zucker, Willard I.

2. Any person employed by, acting as an agent for, or representing:

U. S. Air Force
 Military Airlift Command
 Central Intelligence Agency
 National Security Council
 President's Intelligence Oversight Board
 Federal Aviation Administration
 Geneva Commercial Registry
 Military Reutilization and Material Supply Department,
 Portugal
 National Armaments Directorate, Portugal
 Nuge-Ham Bank, Australia
~~Overseas~~ Defense Corp.
 Department of Defense
 Lloyd's of London
 any agency, division, or department of the United States
 government with responsibility for foreign relations,
 for intelligence activities, or for manufacturing,
 storing, shipping, selling, transferring, monitoring,
 or accounting for any arms, munitions, or military
 personnel
 any agency, division, or department of the government of,

- 2 -

limited to, any communications with or relating to Oliver L. North or President Ronald Reagan.

i. any contract, agreement, or consultant arrangement involving, or any compensation from, any department, division, or agency of the United States government, any State or political subdivision thereof, or any foreign government or political subdivision thereof, whether executed or not;

j. any transaction with any bank or financial entity in Switzerland, Panama, Bermuda, or the Cayman Islands;

k. (i) any arms transaction directly or indirectly through any third party with Iran, Israel, Manucher Ghorbanifar, Albert Hakim, Adnan Khashoggi, Yaacov Nimrodi, Amiram Nir, Adolph (Al) Schwimmer, Richard Secord, or John Singlaub; (ii) any arms transaction directly or through any third party, with Lake Resources, Inc., or any company or entity owned by, controlled by, or affiliated with, the previously named persons or company; (iii) any arms transaction directly or indirectly through any third party with anti-government forces in Nicaragua commonly known as the Contras or any other person or entity in Nicaragua; and/or (iv) any transaction to or from any person or entity of TOW missiles, Hawk anti-aircraft missiles or parts, or F-14 aircraft parts;

l. any American citizen held hostage;

m. the anti-government forces in Nicaragua commonly known as the Contras, including, but not limited to, the provision of financial, military, or other assistance or support of any kind to, or for the benefit of, such forces, or any person or entity now or formerly associated with such forces, whether in Nicaragua or elsewhere;

n. for Bermuda, the Cayman Islands, Costa Rica, Denmark, El Salvador, Guatemala, Honduras, Hong Kong, Iran, Israel, Liberia, Lichtenstein, Nicaragua, Portugal, Saudi Arabia, and Switzerland, (i) any correspondence, telex, or other oral or written communication to or from any person or entity located in these countries, or (ii) any statement, check, deposit slip, or other material relating to any bank or financial institution account in located in these countries; or

o. any tax record of any kind, including, but not limited to, any federal, state, and local filing, accompanying schedules, supporting documents, and work papers relating to such record;

82-714 0352

- 3 -

p. any communication service, including, but not limited to, local and long distance telephone service, mobile telephone service, paper, telex, telecopy, and expedited mail service; or

q. any person or entity listed in Appendix A hereto.

2. The term "materials" as used in this subpoena includes any book, note, record, check, cancelled check, bank statement, correspondence, memorandum, paper, calendar, or any other document, recording, or data compilation from which information can be obtained, which are owned by you or which are in any way subject to your possession, custody, or control or that of any agent of yours.

3. If you or your counsel have any questions regarding this subpoena, please contact James E. Kaplan or Timothy C. Woodcock at (202) 224-9960.

F-2

APPENDIX A

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Chamorro, Pedro	Nimrodi, Yaacov
Cooper, William J.	Nir, Amiram
Clines, Thomas	North, Oliver L.
Cruz, Arturo	Poindexter, John
Cruz, Arturo, Jr.	Quintero, Rafael
de Senarclens, Jean	Robelo, Alfonso
Dutton, Robert	Robles, Rodolfo
Fischer, David	Rodriguez, Felix aka Max Gomez
Furmark, Roy	Rose, Jose Bueso
Gadd, Richard	Sacasa, Marrio
Garnel, Jose	Sanchez, Aristides
Ghorbanifar, Manucher	Schwimmer, Adolph (Al)
Gomez, Francis	Secord, Richard V.
Hakim, Albert	Shackley, Theodore
Hashemi, Cyrus	Singlaub, John L.
Hull, John	Soghanalian, Sarkis
Kashoggi, Adnan	Sommeriba, Leonardo
Kimche, David	Wilson, Edwin
Ledeem, Michael	von Marbod, Erich.
Lilac, Robert	Zucker, Willard I.

2. Any person employed by, acting as an agent for, or representing:

U. S. Air Force
 Military Airlift Command
 Central Intelligence Agency
 National Security Council
 President's Intelligence Oversight Board
 Federal Aviation Administration
 Geneva Commercial Registry
 Military Reutilization and Material Supply Department,
 Portugal
 National Armaments Directorate, Portugal
 Nugen-Hand Bank, Australia
 Overseas Defense Corp.
 Department of Defense
 Lloyd's of London
 any agency, division, or department of the United States
 government with responsibility for foreign relations,
 for intelligence activities, or for manufacturing,
 storing, shipping, selling, transferring, monitoring,
 or accounting for any arms, munitions, or military
 personnel
 any agency, division, or department of the government of,

- 2 -

any instrumentality of, or any national of, or person located in Iran, Israel, Switzerland, Panama, Bermuda, Liberia, Lichtenstein, the Cayman Islands, Portugal, Denmark, Saudi Arabia, El Salvador, Costa Rica, Nicaragua, Honduras, or Guatemala

3. Any of the following entities, or any entity whose name is as listed, but followed by Inc., Corp., Corporation, Ltd., Co., Company, or SA., doing business in any location whatever:

ACE
Airmach, Inc.
Albon Values
Alpha Services, S.A.
Amalgamated Commercial Enterprises, Inc.
American Marketing and Consulting, Inc.
American National Management Corporation
Baggett Transportation Company
CSF
CSF Investments Ltd.
CSFR Inv. Ltd.
Chester Co.
Compagnie de Services Fiduciares SA
Corporate Air Services, Inc.
Dataguard International
Defex - Portugal
Dolmy Business, Inc.
EAST Inc.
EATSCO
Eagle Aviation Services and Transportation
Egyptian American Transport Services, Inc.
Energy Resources International
Fifteenth of September League
Gulf Marketing Consultants
Hyde Park Holdings
Hyde Park Square Corporation
I. B. C.
IDEA
Intercontinental Technology
International Research and Trade
Kisan
Lake Resources Corp.
Lake Resources, Inc.
Lilac Associates
Maule Air, Inc.
Missuragata
MOAF Inc.
National Defense Council Foundation
National Liberation Army
N. S. L.
Nicaraguan Democratic Force (FDN)
Nicaraguan Democratic Union
Nicaraguan Development Council

- 3 -

Nicaraguan Freedom Fund, Inc.
Nicaraguan Revolutionary Armed Forces (FARM)
Project Democracy
Queen Shipping
R. M. Equipment Co.
Revolutionary Democratic Alliance (ARDE)
S. & S Trading Corp.
SOME Aviation
Secord Associates
Southern Air Transport, Inc.
Southern Bloc Opposition (BOS)
Stanford Technology, Inc.
Stanford Technology Trading, Inc.
Stanford Technology Trading Associates, Inc.
Systems Services International
Trans World Arms Inc.
Udall Corporation
Udall Research Corporation
Udall Resources, Inc., S.A.
United Nicaraguan Opposition (UNO)

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4 MAR 86

**NATIONAL ENDOWMENT
FOR THE
PRESERVATION OF LIBERTY**

305 FOURTH ST. N.E.
SUITE 1000
WASHINGTON, D.C. 20002

March 4, 1986

Mr. Ralph Hooper
Hooper Brothers Company
Three Parkway
Philadelphia, PA 19102

JH 000033

Dear Ralph:

Thought you might want a copy of the President's response to our Central American Freedom Program.

We believe Congress will vote on the aid package the week of the 17th instead of the 25th. That means we lose 8 days to campaign. We must make every effort to double our advertising to produce an even greater impact. We need to buy more air time. We've got to counter the already spreading Communist propaganda.

Spitz met with the President and the UNO leaders yesterday. They need our help. Ralph, you've given alot. If we had more time I wouldn't be coming back to you so soon. But, you're not a fence sitter like so many that I've contacted. We're forced to go back to those who've stood behind us from day one. If you can see your way clear to fund an additional spot in each of the districts for approx. \$25,000, we can win this vote for the President and America's future.

Thanks for being a guardian of Democracy.

I'll talk with you soon.

Sincerely,

5344

Partially Declassified/Released on 11 FEB 88
under provisions of E.O. 12958
by K. Johnson, National Security Council

Jane E. McLaughlin

Enclosures
JEM/ajd

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(359)



3 APR 86

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**NATIONAL ENDOWMENT
FOR THE
PRESERVATION OF LIBERTY**

305 FOURTH ST. N.E.
SUITE 1000
WASHINGTON, D.C. 20002

April 3, 1986

Mr. Bruce Hooper
Fidelity Court Building
Radnor - Chester Road
Radnor, PA 19087

JM 000026

Dear Mr. Hooper:

As you well know, we are in the final days of the President's crucial campaign to achieve the aid the Freedom Fighters so desperately need.

Not simply humanitarian aid, but more importantly the effective military aid needed if the Freedom Fighters are to continue successfully resisting attacks by Soviet-supplied Mi-24/HIND D gunships.

The cause of freedom over tyranny will hang in the balance in Nicaragua during the next 100 days. At our upcoming meeting you will be briefed in detail on what those 100 days hold in store for the Freedom Fighters.

We appreciate your support of \$15,000. Your help has kept the President's most important foreign policy issue very much alive. We are certain this will lead to ultimate victory on April 15th.

I am enclosing materials for your review. We look forward to seeing you and Ralph on April 16th or 24th.

Sincerely,

Jane E. McLaughlin

Released on 11 Feb 88
by K. Johnson, National Security Council

Enclosures
JEM/ajd

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(361)



5346

BRUCE H. HOOPER
FIDELITY COURT BUILDING
RADNOR-CHESTER ROAD
RADNOR, PENNSYLVANIA 19087

215-293-0216

May 5, 1986

Mr. Carl Russell Channell
President
National Endowment for the
Preservation of Liberty
305 Fourth Street, N.E.
Suite 1000
Washington, DC 20002

Dear Mr. Channell:

First, I had a stimulating morning in the company of Mr. North and with Jane McLaughlin.

I told her that I would gather some support and I am in such process now.

Second, I am glad that you sent your letter and the French response. I received a copy of your letter last week.

I should hope that you would concentrate your efforts on Central and South America and the Caribbean where all of us can agree on the nature of the problem today.

I appreciate your forwarding a French reply and I am somewhat sympathetic to it. I think the French do not want to see the ~~the~~ escalation and I think we ought to concentrate in ~~having~~ our oil companies cease to operate there. On the other hand, it was a right thing to do to Libya.

Sincerely,



Bruce H. Hooper

BHH:kal



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C MAY 86

NATIONAL ENDOWMENT
FOR THE
PRESERVATION OF LIBERTY

305 FOURTH ST NE
SUITE 1000
WASHINGTON DC 20002

May 6, 1986

Mr. Bruce Hooper
Fidelity Court Bldg.
Radnor - Chester Road
Radnor, PA 19087

Dear Mr. Hooper:

I'm glad you were able to come to Washington last week. I very much enjoyed meeting with you.

I wanted to let you know that Ollie would be able to meet with your brothers either here or in Philadelphia if they would like.

We look forward to hearing from you soon.

Sincerely,

Jane E. McLaughlin

JEM/ajd

P.S. The football coach from West Chester was Killenger.

Partially Declassified/Released on 11 Feb 88
under provisions of E.O. 10896
by K. Johnson, National Security Council

5348



UNCLASSIFIED

May 27, 1986

Miss Jane E. McLaughlin
NATIONAL ENDOWMENT FOR THE
PRESERVATION OF LIBERTY
305 Fourth St., N. E.
Suite 1000
Washington, D.C. 20002

Dear Jane:

Enclosed is the contribution which I mentioned to you on the telephone ten days ago. I am a couple of days late sending it but I hope it will do some good.

Please have Ollie contact me to let me know what he is going to do with it, if that is possible. My office number is: 293-0216; my home number is : 688-6118.

Very truly yours,

Bruce H. Hooper
Secretary

BHH/emm

Enclosure



27 MAY 86

EXPLANATION OF LETTER OF MAY 27, 1986

1. JANE HAD TOLD ME THAT ALL MONIES THAT WE GAVE WOULD GO TO AID FOR THE CONTRAS, UNDIMINISHED BY OVERHEAD.
2. I DID NOT TRUST, ENTIRELY THAT WHAT SHE SAID WAS THE WHOLE TRUTH
3. I DID NOT WORD THAT SENTENCE ~~TO~~ ~~FOR~~ DIRECTLY IN THAT IT COULD HAVE READ "I WANT OLLIE TO ASSURE ME THAT HE DIRECTED 100% OF THE MONIES THAT I AM SENDING TO AID TO THE CONTRAS
4. I DID NOT WANT NOR DID I NEED TO KNOW HOW MANY BOOTS, BANDAGES, FOOD SUPPLIES ETC IT WAS GOING TO BUY
5. I INTENDED, IN THIS SENTENCE, TO CONVEY THAT I MIGHT BE WILLING TO CHECK ON THE PERFORMANCE OF NEPL



[EXAMPLE: DID DONORS WANT TO PROVIDE PALM SPRINGS MANIONS TO OPERATOR OF PTL]

5350

No Date

UNCLASSIFIED

ON THE MATTER OF ARMAMENTS
BEING A HIDDEN PURPOSE FOR
THE FUNDS:

1. I ASSUME THAT IT WOULD BE
 ILLEGAL FOR MONIES OF OUR
 FOUNDATIONS TO BE SO USED.

2. UPON ASSUMING FROM MY MEETING
 IN COL. NORTH'S OFFICE IN THE
 PRESENCE OF JANE McLAUGHLIN
 THAT HE WOULD DIRECT THE MONIES
 FROM NEPL TO SUPPLIERS OF
 NON-LETHAL AID FOR DELIVERY
 TO CONTRAS, THAT PUT THE
 IMPRIMATUR ON OUR TRANSACTION



Declassified on 1/2/88
 under provision E.O. 12258
 by R. James, National Security Council

5351

UNCLASSIFIED

File

NATIONAL
Preservation
of Liberty
Foundation

UNCLASSIFIED

July 23, 1986

America is now at the verge of answering the challenge the Soviets laid down in Nicaragua. When the President was most in need of support and sustained faith in this leadership, you helped to provide both. The struggle for freedom in Nicaragua must first be won in the halls of Congress. Without your dedication and resolve to stay with the President in this long campaign, neither victory would be possible. Once the Senate approves the aid, we will finally be at a point where we can truly make a contribution to a democratic outcome in Nicaragua.

For your patriotism, courage, and dedication, thank you.

Cliven I. North

Mr. Bruce H. Hooper
Fidelity Court Building
Radnor-Chester Road
Radnor, PA 19087



5352

~~Perkins, Donald S.~~

UNCLASSIFIED

2 MAY 86

UNCLASSIFIED

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

May 2, 1986

JM 000027

Dear Bruce:

Here is the situation today. Congressman Bob Michel, Republican Leader of the House of Representatives, persuaded a majority of the House to vote overwhelmingly for a bill which got the President's Freedom Fighter package away from being included as a supplement to a huge Democrat-sponsored spending bill.

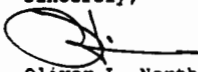
This spending bill, if passed, faces an almost certain veto by President Reagan. Michel's adroit leadership has now effectively saved the Freedom Fighter aid bill, intact, for what we hope will be a final vote during the week of June 9. He is determined to emerge victorious, even if he must doggedly wear down the opposition.

You are obviously supporting the President for the long term as well. I want to thank you so very much for all you are doing to support President Reagan and to help assure a victory for freedom in Central America.

We are entering a critical period now in the legislative struggle. The President is chipping away at the opposition and gaining solid momentum for a clear victory in the next three weeks. This is due in no small way to your support of the ongoing Central American Freedom Program of the National Endowment for the Preservation of Liberty.

I hope you will remain steadfast with the President as he leads this effort. I know personally that he values your help very much. We must continue to work together for the success of the President's policy. It's been a long struggle -- we're almost there. Please maintain your invaluable, strong support.

Sincerely,


 Oliver L. North
 Deputy Director,
 Political-Military Affairs

5353

1/25/87
 Mr. Bruce H. Hooper
 Fidelity Court Building
 Radnor-Chester Road
 Radnor, PA 19087

(368)

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NAME: HIR114000

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PAGE 1

1 RPTS DINKEL
 2 DCMN GILE
 3
 4 DEPOSITION OF
 5 NELSON BUNKER HUNT

ORIGINAL

6
 7 Select Committee to Investigate
 8 Covert Arms Transactions with
 9 Iran.
 10 U.S. House of Representatives.
 11 Washington, D.C.

12
 13 Friday, April 24, 1987

14
 15
 16
 17
 18 The deposition convened at 9:30 a.m. in Room 328, the
 19 Capitol.

20 Present: Thomas Fryman, Staff Counsel, House Select
 21 Committee to Investigate Covert Arms Transactions with Iran;
 22 Bill Davis, Investigator; W. Thomas McGough, Jr., Associate
 23 Counsel, Senate Select Committee on Secret Military
 24 Assistance to Iran and the Nicaraguan Opposition; Ivan
 25 Irwin, Jr., Shank, Irwin & Conant, 4100 Thanksgiving Tower,

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NAME: HIR114000

PAGE 2

26 Dallas, Texas, 75201, on behalf of the witness.

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NAME: HIR114000

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PAGE 3

27 (9:30 a.m.)

28

29 Whereupon,

30 NELSON BUNKER HUNT

31 was called as a witness, and having been duly sworn, was
32 examined and testified as follows:

33 EXAMINATION

34 BY MR. FRYMAN:

35 Q Mr. Hunt, would you state your full name for the
36 record, please?

37 A Nelson Bunker Hunt.

38 Q Where do you reside, Mr. Hunt?

39 A [REDACTED] Dallas, Texas.

40 Q Would you briefly describe for the record your
41 business interests?42 A I am in the oil and gas exploration business,
43 farming, ranching, various investments otherwise.

44 Q Are you an officer of any companies?

45 A Yes. I am the Chairman of the Board of Hunt Energy
46 Corporation.47 Q Do you hold any position in any non-profit
48 organization?49 A I am not sure. You mean like director of the Red
50 Cross or something like that?

51 Q Yes. Are you on the board of any non-profit

Privacy

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NAME: HIR114000

UNCLASSIFIED

PAGE 4

52 organization or are you an officer of any non-profit
53 organization?
54 . A I am on the board of some, but rather inactively,
55 if at all.
56 . Q Which one are you on the board of?
57 . A Oh, that is a--I don't think I can recall then.
58 Most of these things are very informal. I am inactive to
59 the point that I don't really remember which ones. The Old
60 Time Gospel Hour--I do remember that one.
61 . Q Are you on the board or are you an officer of any
62 organization that is involved in any political activity?
63 . A No, I don't think so.
64 . You know, I just don't know. Everything--everything
65 is involved in some political activity. I am not exactly
66 sure what you mean by that.
67 . Q Other than the Old Time Gospel Hour, what
68 organizations do you recall that you are on the board of or
69 are you an officer of?
70 . A I am a--on the board of the Council of National
71 Polity, and that is a--I believe a 501(c)(3) organization.
72 . Q Are you on the board or are you an officer of any
73 other 501(c)(3) organizations?
74 . A I am sure I am, but I really just couldn't recall
75 their names offhand. Seems like everything is 501(c)(3), at
76 least that is what I am told.

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NAME: MIR114000

PAGE 5

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77 . Q Well, Mr. Hunt, is your name on the board of the
78 Council for National Policy, do you regularly receive
79 materials from the officers of that organization?
80 . A They don't send out much in the way of material. I
81 think they do have some kind of a newsletter.
82 . Q Do you attend board meetings?
83 . A I have. I have attended them in the past, yes.
84 . Q How many have you attended in the last year?
85 . A I don't believe I have been in the last year.
86 . Q And have you attended board meetings of other
87 501(c)(3) organizations?
88 . A Yes. I think--I think one or two, but I am not
89 trying to be devious. I just can't remember the names of
90 these things.
91 . There is a--Ed McAteer from Memphis, Tennessee has
92 an organization which is a Christian organization. I have
93 been to his board meetings. I can't think of the name of
94 his organization.
95 . Q How could you spell McAteer?
96 . A M-c-A-t-e-e-r.
97 . Q And what other 501(c)(3) organizations other than
98 those two? If you can't identify the name, just generally
99 describe the nature of the organization.
100 . A Well, the Texas Bible Society would be one. And it
101 is a Christian organization. I am not sure whether it is a

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NAME: HIR114000

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PAGE 6

102 501(c)(3) or not. They distribute bibles in Dallas and in
103 Texas.

104 Q Any others that you recall?

105 A Well, I can't recall. I am sure there are some
106 others, but, you know, a lot of these organizations, they
107 want to put you on their board of directors hoping to get a
108 contribution. Maybe you never get to a meeting. So, I am
109 sure I am on some of those.

110 Q Have you been on the board of any organization that
111 you understand has been involved in any way with Micaragua?

112 A I don't believe so.

113 Q Have you been an officer of any such organizations?

114 A I don't believe I have, no.

115 Q Did you ever serve on the board of Western Goals?

116 A I am not sure. I think I was on the letterhead of
117 Western Goals.

118 I knew Larry McDonald, the congressman, quite well.
119 I believe he put me on the board. I don't think I ever
120 attended a meeting.

121 Q Have you ever been on the board of any organization
122 associated with General Singlaub?

123 A I don't believe so. I know General Singlaub. I
124 met him, but I haven't been on his board as far as I know.

125 Q Now, you mentioned the Council for National Policy.
126 How long have you served on that board?

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NAME: HIR114000

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PAGE 7

127 . A I think about four years--since shortly after the
128 organization was started, I believe, however long that has
129 been. Maybe five years.

130 . Q Are board meetings held at regular intervals?

131 . A They have three meetings, sort of membership
132 meetings per year. Generally, there is a board meeting at
133 the membership meetings.

134 . Q How large is the board?

135 . A I believe it is about 400, but there may be an
136 executive committee separate from the board of maybe a
137 dozen.

138 . Q Are you on the executive committee?

139 . A Yes, I am.

140 . Q Who else is on the executive committee?

141 . A Well, also Rich DeVoss, Joe Coors, Pat Robertson.
142 He has been on--I am not sure whether he is on it right now.
143 Like I say, I haven't been to a meeting in a year. I am a
144 little out of touch with it.

145 . Paul Wierich, I believe Howard Phillips, and three
146 or four others whom I just can't recall right offhand.

147 . Q Who are the officers of that organization?

148 . A Well, it rotates. They seem to have a new
149 president every year or two. I am not sure who is president
150 right now. Might be Rich Davoss. Pat Robertson has been
151 president. I was president three or four years ago.

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152 . Q Is there someone who fills the role of a paid
153 executive director?

154 . A Yes, there is. I believe his name is Jack Nelson.
155 I think they maintain an office in the Washington, D.C.
156 area.

157 . Q Is there anyone else that you have dealt with in
158 that organization who is an executive employee?

159 . A Well, in the past, prior to Nelson, there was a
160 woman. I believe her name was Margo Carlisle. She was sort
161 of executive director.

162 . Prior to her, there was a man named Woody Jenkins.

163 . Q And I believe you said that organization had
164 meetings three times a year?

165 . A I believe that is correct.

166 . Q Did you attend any of those meetings in 1986?

167 . A I don't believe so, but I might possibly have. But
168 it has been some time. I have missed several meetings. I
169 am not sure when is the last meeting I attended.

170 . Q Do you recall if you attended any of those meetings
171 in 1985?

172 . A You know, I don't recall. I would think I have. I
173 would speculate that I probably was at a meeting in 1985,
174 but I don't have any recollection.

175 . Q At any meeting of the Council for National Policy
176 that you attended, did you--let me withdraw that question.

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177 . At any meeting of the Council for National Policy
 178 that you attended, were you aware of any discussion of
 179 Nicaragua?

180 . A You are talking about a general membership meeting
 181 or the--the executive meeting?

182 . Q Either. It would include either of those two or
 183 any private discussion with a smaller group that you would
 184 have had at any of those meetings.

185 . A Well, they have--they have speakers, you know,
 186 usually eight or ten speakers per meeting, covering a rather
 187 wide range of topics. They have had speakers talk about
 188 Nicaragua, Central America. I believe Oliver North spoke at
 189 one meeting, and that was before the general membership.

190 . Now, I was never in the--I don't recall the
 191 executive committee ever speaking about Nicaragua or Central
 192 America.

193 . Q Did you ever speak with Mr. Coors in any way about
 194 Nicaragua?

195 . A No, I didn't.

196 . Q Were you ever asked at a meeting of the Council for
 197 National Policy to make any sort of contribution with
 198 respect to Nicaragua?

199 . A No. Adolfo ^{Alfaro} Alfaro, he attended a couple meetings,
 200 at least that I was at, and I met him. But the Council for
 201 National Policy, I think they may have a rule prohibiting

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202 anybody asking for contributions. Just about anything.

203 . Q In any case, you were not asked at any Council for
204 National Policy meeting for a contribution; is that correct?

205 . A That is correct.

206 . I do remember one time there was a--a meeting in
207 somebody's room, you know, maybe they had a film or
208 something they wanted to show. They showed a film of the
209 situation in Central America or something.

210 . I think they may have violated the rules of the
211 organization by saying that if anybody wanted to contribute,
212 they would be available. But that was separate, apart from
213 the Council for National Policy.

214 . You know, when you get 400 or 500 people at a
215 meeting, there are a lot of people that have got various
216 axes to grind. I think in the early days there was a lot of
217 independent soliciting, to the point that the organization
218 did pass a rule that they shouldn't be soliciting each other
219 for contributions for the various causes.

220 . Q On the occasion when this film was shown, was Mr.
221 North present?

222 . A I don't believe he was.

223 . Q Who showed the film?

224 . A Seems to me Woody Jenkins showed the film.

225 . Q Was this in 1985 or 1986?

226 . A Oh, it was--certainly wasn't in 1986. It could have

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227 been in 1985 or 1984, but Woody Jenkins was the first
228 executive director of the Council for National Policy. He
229 lived in Baton Rouge, Louisiana.

230 When the headquarters were moved to Washington,
231 D.C., he resigned, because he didn't--was in the Louisiana
232 legislature and didn't want to leave Louisiana. But he
233 remained a member of the organization and would attend
234 meetings.

235 I think Woody has some kind of a--and his wife, one
236 of the other--both of them have some kind of an organization
237 to help the refugees from Nicaragua and Central American.
238 They do raise funds for that.

239 Q Have you contributed to any organization with which
240 Mr. Jenkins is associated other than the Council for
241 National Policy?

242 A Seems like I made a contribution to his
243 organization at one time. I am not sure when it was or even
244 how much it was--\$5,000 or \$10,000, something like that.

245 Q This is the refugee organization?

246 A I think so.

247 Q Do you know if Mr. Jenkins has been involved in any
248 way with providing arms for the resistance in Nicaragua?

249 A I have no idea. As far as I know, the answer would
250 go negative, but I don't know what he is doing.

251 Q Mr. Hunt, do you know a person named Carl Channell?

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252) . A Yes, I believe--I know him as Spitz Channell.
253 . Q Same person.
254 . A Yes.
255 . Q When did you first meet him?
256 . A Oh, seven or eight years ago, ten years ago. I
257 can't remember. It has been some time.
258 . Q What were the circumstances of your first meeting?
259 . A I believe he was involved in the MCPAC organization
260 as some kind of a--as a fund raiser.
261 . Q What is MCPAC?
262 . A As I said, I am not sure. I was afraid you would
263 ask that, a PAC, I guess, being Political Action Committee.
264 The MC is MC--it was Terry Dolan's. Terry Dolan was involved
265 in the organization, and a man named Brent Bozell. I don't
266 know what the MC stands for--National Committee, Political
267 Action Committee.
268 . Q Is it National Conservative?
269 . A Maybe that is it, National Conservative Political
270 Action Committee.
271 . Q You believe you met him seven to ten years ago in
272 connection with that?
273 . A I would say so, yes.
274 . Q What were the circumstances of your first meeting
275 with him?
276 . A I just don't remember. I believe there were three

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277 or four fellows in MCPAC around. They were
278 hustling--soliciting funds.
279 Q Were you a solicitee?
280 A I would say so, yes.
281 Q During the past seven to ten years, how many times
282 would you say that you have met face to face with Mr.
283 Channell, approximately?
284 A Well, I am speculating. I would say six or eight.
285 Q Would you briefly describe for the record the
286 occasions you recall meeting with him?
287 A Well, let's see. I don't know that I can--my memory
288 is always hazy on any these things.
289 Channell travels around a bit, and he came through
290 Dallas and would stop by my office for an appointment. He
291 would usually call in advance. He would stop by and he
292 would have some project he was working on. He would attempt
293 to solicit funds for the project, all kinds of things, like
294 scholarship funds for--that type of thing to train political
295 candidates to--they put on a fund raising deal at my ranch
296 two and a half years ago, roughly, during the Republican
297 convention. That was another time.
298 His latest project was to put a torch of freedom in
299 West Berlin that can be seen for 15, 20 miles, something
300 like that--10, 15 miles.
301 Q Do you recall meeting with him in your office on

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302 more than one occasion?

303 . A Oh, yes. I would say three or four times.

304 . Q Were any of those three or four times in 1985 or
305 1986?

306 . A I wouldn't want to put a special date, a specific
307 date, because I just don't remember. I can't tie a meeting
308 to a date.

309 . Q Have you ever met with Mr. Channell in any location
310 other than Dallas or your ranch?

311 . A Yes. I have seen him here in Washington a couple
312 of times.

313 . Q You believe a couple of times?

314 . A Yes. I would say at least twice. He had a meeting
315 at the Hay Adams Hotel one time, and I attended that. And
316 then I attended a different time, I believe a luncheon over
317 in the Senate building or the House building--I am not sure
318 which. That probably goes back to MCPAC and--

319 . Q Other than the meeting at the Hay Adams and the
320 lunch in the Capitol, what other occasions do you recall
321 meeting him in Washington?

322 . A I just don't--there might have been another similar
323 kind of occasion. I can't recall for sure just when or what
324 the meeting was about.

325 . Q Have you spoken with him on the telephone from time
326 to time?

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327 . A Yes. He calls on the telephone occasionally.

328 . Q When was the last time you spoke to him on the
329 telephone?

330 . A I called him a few weeks ago. I think an FBI guy
331 wanted to come talk to me, Brian Donleavy or something like
332 that.

333 . I asked him if he knew the gentleman. He said he
334 did. Nice man. He spent he lot of time with him. I said,
335 "'Fine, I will be glad to see him.'"

336 . I did. I just called him just to see what he was
337 in.

338 . Q Did you tell him you were going to be testifying in
339 Washington today?

340 . A No.

341 . Q Do you know if anyone else relayed that message to
342 him?

343 . A I didn't ask anybody to, and I wouldn't think any
344 of my people did. This isn't a secret, is it?

345 . Q No.

346 . A I didn't think it was, but I didn't tell him. Last
347 time I talked to him was before Brian Donleavy came down to
348 Dallas or was in Dallas.

349 . Q Do you know Oliver North?

350 . A Yes, I know Oliver North.

351 . Q When did you first meet Mr. North?

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352 . A I believe I met him at a Council for National
353 Policy meeting, maybe when he made a speech.

354 . Q Do you recall Mr. North, or Colonel North,
355 attending more than one Council for National Policy meeting?

356 . A Yes. I believe he was at more than one.

357 . Q How many that you recall?

358 . A I recall two, but there could have been others.
359 You know, these meetings got usually 400 or 500
360 people, 300 to 500 anyway. It is hard to remember who all
361 was there. I just don't keep that much contact. Some
362 people you know; some others you don't.

363 . Q Who introduced you to Colonel North the first time?

364 . A Well, you pretty much shake hands, meet pretty much
365 everyone. I don't recall. Woody Jenkins, perhaps, or
366 somebody, but I just don't recall.

367 . Q Other than the two occasions at the Council
368 meetings, on what other occasions have you met with Colonel
369 North?

370 . A Well, I had a cup of tea with him one morning at
371 the Hay Adams Hotel, and I believe I attended a briefing
372 that he gave about the Nicaragua situation in the executive
373 section of the White House, the old--it is an old building.
374 I don't know what they call it.

375 . Q Was that during the same visit at your tea with him
376 at the Hay Adams or was that on another occasion?

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377 . A I don't recall for sure. I think that may have
378 been a different time.

379 . Q On what other occasions have you met with Colonel
380 North?

381 . A I don't believe any others. You know, I met him
382 four or five different times, like I say, a couple of times
383 at the National Council meetings and a couple of times here.

384 . Q What year did you meet him for tea at the May
385 Adams?

386 . A I would be speculating if I guessed. It would just
387 be a guess. It has been a couple years ago, something like
388 that.

389 . Q Was it in 1986?

390 . A I don't think so.

391 . Q 1985?

392 . A It could have been, but I just don't recall.

393 . Q And what year did you attend the briefing at the
394 Executive Office Building?

395 . A I don't recall that specifically. I think Channell
396 would know. He was there for the breakfast or for the tea.

397 . Q Let's--

398 . A Perhaps he would know. I don't know.

399 . Q Let me direct my questions to the tea at the May
400 Adams. You indicated you, Colonel North, and Mr. Channell
401 attended. Was there anyone else present?

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402 . A Yes, there were a couple fellows, but you know, I
403 don't recall their names. One of them was in the--has a
404 financial newspaper, and there was another fellow, but I am
405 not sure who it was. I am bad with names.

406 . MR. MCGOUGH: Did you say one ran a financial
407 newspaper or was in a financial newspaper?

408 . THE WITNESS: I think this fellow actually owns
409 some kind of financial newspaper. That is what I was told.

410 . BY MR. FRYMAN:

411 . Q And was this a breakfast meeting?

412 . A No. We just had--it was about breakfast time, maybe
413 8:30, 9:00 o'clock in the morning, but as I recall, we
414 didn't have any breakfast. We just had tea.

415 . Q Who arranged this meeting?

416 . A I believe Channell. Yes, Channell did, definitely.

417 . Q How long did the meeting last?

418 . A Oh, seemed like 30 minutes to--possibly as long as
419 45 minutes or an hour, in that neighborhood.

420 . Q What subjects were discussed?

421 . A Oh, they talked about Nicaragua, in general, and
422 the contra effort in Nicaragua, whether they were really
423 doing any good, that type of thing.

424 . Q Was there a discussion of the needs of the Freedom
425 Fighters in Nicaragua?

426 . A From North, no. I don't recall North ever making

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427 any request for funds at all, not in my presence, anyway.

428 Perhaps Channell, yes. Channell would talk about the need
429 for help for them.

430 Q Apart, Mr. Munt, from a request for funds, did Mr.
431 North or Colonel North describe any shortages or needs of
432 any sort that the resistance fighters had at that time?

433 A I don't know when, but at one time he did say that
434 the Russians had this terrific helicopter that was described
435 as virtually a flying tank and that the helicopter was very
436 tough and they had furnished--the Russians had given 12 or 15
437 of them to the Nicaraguans or were furnishing them and that
438 the contras didn't have any anti-aircraft weapon to go
439 against this helicopter. And he said they need that, but he
440 didn't, you know, ask for funds or ask me to do anything
441 about it.

442 Q Any other types of weapons that he specified that
443 were needed?

444 A No, I can't recall.

445 As a matter of fact, I asked him--I do recall asking
446 him about weapons. He said, "Well, the best thing to do
447 is, in guerrilla fight, that you get your weapons from the
448 other side," so, therefore, you use their ammunition and in
449 that way--for instance, if you brought American weapons into
450 Nicaragua, you couldn't use the Nicaraguan weapons or
451 Russian meetings or Czechoslovakian, I think, and you

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452 | couldn't use their ammunition, their bullets in the American
453 | built guns.

454 | So, what you want to do is get--steal them from them.

455 | So, that is sort of standard in any guerrilla fight or
456 | freedom fight where you were trying to oust the other side.
457 | You try to get their weapons and oust them with their own
458 | weapons.

459 | Q Did he mention purchasing Soviet or East bloc
460 | weapons?

461 | A Not to me, no, or not in front of me.

462 | Q With respect to the anti-aircraft weapon in
463 | opposition to the helicopters, did he specify any price for
464 | such weapons?

465 | A No, not to me.

466 | Q What did Mr. Channell say in connection with
467 | Colonel North's comments about the weapons?

468 | A I don't recall Channell saying anything. Channell
469 | is not a very specific kind of person, and I don't recall
470 | him saying anything about it.

471 | Q Were you asked to make a contribution after this
472 | breakfast meeting?

473 | A No, I don't believe so.

474 | Of course, Channell--you can't be around Channell
475 | very long without him asking for a contribution for
476 | something, but--which, of course, I did make a contribution

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477 to his foundation; but I don't tie it to this breakfast,
478 though.

479 My lawyer--I don't know whether he wanted me to
480 interject this or not--but he reminded me that the FBI guy
481 told me that I did have dinner at the Dallas Petroleum Club
482 with Channell and North at one time. I didn't remember it,
483 and I still don't remember it, anything about the dinner,
484 but Channell, I believe, did testify to that, according to
485 the FBI fellow, that I did have dinner with North at the
486 Dallas Petroleum Club, and Channell.

487 Q But you do not recall that dinner?

488 A Well, you know, I faintly do, but I am not
489 positive.

490 Q Do you recall anything that was said at that
491 dinner?

492 A No, I don't. I have no recollection of it, really.

493 Q Now, you mentioned another occasion with Colonel
494 North where you attended a briefing; is that correct?

495 A Yes.

496 Q When was that?

497 A You know, I can't recall. It was at the old office
498 building or something connected with the White House.

499 Q How large a group attended that briefing?

500 A It looked like there were about 20 people here.

501 Q Did you know anyone else?

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502 . A Well, I knew two or three of them.

503 . Q Who did you know?

504 . A I believe Ellen Garwood may have been there, but

505 she may not have been. But--you know, I would be speculating

506 if I gave you the names; It seemed like there were two or

507 three people there that I had met before.

508 . Q How long did this briefing last?

509 . A I would say 30, 45 minutes.

510 . Q Who spoke other than Colonel North?

511 . A I don't know whether there was anyone there besides

512 North or not.

513 . Q What did Colonel North speak about?

514 . A Well, it was sort of an update of the military

515 situation that the Russians ~~were~~ building an airport there

516 where they could fly planes straight from Russia, and they

517 had, I think, three-mile runways, very heavily built

518 runways, and could line these planes, Russia, and fly back

519 to Russia.

520 . It was one of the larger kind of military airports

521 that was being built in the world or in existence in the

522 world.

523 . Q Was there any discussion of military activity in

524 Nicaragua?

525 . A No.

526 . You know, I don't recall anything specific other

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527 | than a discussion about that airport.

528 | . Q Were any slides or projections of any sort shown?

529 | . A I think he showed an aerial photograph of the

530 | airfield.

531 | . Q Were you asked to make a contribution either

532 | before, during, or after this meeting?

533 | . A Not at that meeting.

534 | . I think later, perhaps later that evening there was

535 | a dinner at the May Adams Motel at which two or three of

536 | the--at least one or two of the Nicaragua contra people were

537 | there, I believe, including Adolfo Calero. I think they

538 | said that they needed contributions, yes.

539 | . Q Was Colonel North at the dinner?

540 | . A No, I don't believe he was there. I don't recall

541 | seeing him there.

542 | . Q Going back to the briefing, were there any

543 | questions to Colonel North at the briefing?

544 | . A I don't recall that there were. Like I say, there

545 | were 20 people in there, approximately 18 to 20 people,

546 | something like that. There might have been somebody asked a

547 | question or two, but I don't recall.

548 | . Q Was the format basically a presentation by Colonel

549 | North?

550 | . A I would say so.

551 | . Q It was not a question and answer session?

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552 . A That is the way I recall it.

553 . Q At that briefing, did Colonel North make any
554 statement to the effect that there are certain matters that,
555 'We can't discuss on this side of Pennsylvania Avenue'?

556 . A I don't recall him saying that. I don't know what
557 you would mean by 'this side of Pennsylvania Avenue.' But
558 I don't recall him saying that. He might have, but I have
559 no recollection of it.

560 . Q The dinner that evening at the Hay Adams, you said
561 Mr. Calero attended and you believe Colonel North did not
562 attend?

563 . A That is my recollection.

564 . Q Did Mr. Channell attend?

565 . A Yes, he was there.

566 . Q Did Richard Miller attend?

567 . A He could have. I am not sure who Richard Miller
568 is. I don't believe I know him--may have met him, but I
569 don't recall him.

570 . Q Who else do you recall attending that dinner?

571 . A Oh, there must have been 40, 50 people, but I don't
572 recall anybody. I was by myself, as I recall. I don't
573 recall who else was there.

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574 RPTS DOTSON
575 DCMN GLASSNAP
576 [10:30 a.m.]
577
578 . BY MR. FRYMAN:
579 . Q Was there any request for contributions during the
580 dinner?
581 . A Yes. ^a ~~Carl~~ Zero spoke and a few others, Mick Robert,
582 whatever.
583 . Q What reasons were given as to why it was needed?
584 . A To feed them and shelter them.
585 . Q They said they needed weapons?
586 . A They didn't say anything about weapons.
587 . MR. FRYMAN: Why don't we adjourn for just a couple
588 minutes.
589 . [Recess.]
590 . BY MR. FRYMAN:
591 . Q Mr. Hunt, have you ever met Elliott Abrams?
592 . A I don't place that name.
593 . Q I am referring to the Assistant Secretary of State
594 for Latin American Affairs.
595 . A I don't believe so.
596 . Q Have you ever met President Reagan?
597 . A Yes, I have met him.
598 . Q On how many occasions?

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599 . Q Oh, I have been with a group of maybe 15 or 20 on
600 two or three occasions. I was at the White House for dinner
601 one time at the White House. I met him once in his office
602 at the White House.

603 . Q So is it your recollection that you have met with
604 him a total of approximately five times?

605 . A Maybe five or six or seven, but they were all in
606 group meetings, really, you know, except for the one time.

607 . Q What was the occasion when you met in his office?

608 . A Channell asked me if I would like to, when I was
609 going to be in Washington, if I would like to stop by and
610 meet the President, and I said, "Sure, I would be
611 delighted." That was the time.

612 . Q Did this meeting follow a contribution that you
613 made to one of Mr. Channell's organizations?

614 . A Well, I had contributed to Channell's organizations
615 in the past and previously.

616 . Q What was the approximate time of this meeting with
617 the President in his office?

618 . A I would say 10 minutes.

619 . Q Did this occur in 1986?

620 . A Again, I am not real sure of the timeframe. I just
621 lose track of meetings. I expect it may have been early
622 1986 or late 1985, somewhere in that neighborhood.

623 . Q Who else was present other than you and the

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624 President?

625 . A I hate to admit it, but there was a fellow there,
626 and I didn't--I can't recall his name. He seemed to be a
627 friend of the President's.

628 . Q Was Mr. Channell present?

629 . A No, he wasn't.

630 . Q Was the other person an employee at the White
631 House?

632 . A No, I think he had--he told me he had been with
633 Reagan, President Reagan, back when he was Governor of
634 California, and maybe he was with the President for a year
635 or two after he became President here, but he was no longer
636 with the Government. I think he was sort of in the public
637 relations field, or something along that line, here in
638 Washington.

639 . Q Was this person Mr. Nofziger?

640 . A No, it wasn't Nofziger.

641 . Q Was it Mr. Deaver?

642 . A It wasn't Mr. Deaver. I know both of them. I had
643 never heard his name before; otherwise, I think I could have
644 remembered it.

645 . Q Was it Mr. Rowland?

646 . A I don't know.

647 . Q What subjects were discussed during your meeting
648 with the President?

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649 . A Well, it was shortly--as a timeframe, I can tie it
650 down--it was within a month or so of the bombing of Libya.
651 He talked mostly about Libya, because I had been in Libya as
652 an oil concession holder for 15-20 years, and I have been
653 all over Libya, looking at geology and exploring for oil,
654 and we talked, I gave the President my impressions of Libya.
655 I told him if he sent a couple companies of Marines along,
656 or Army along with the bombers, I think everybody in Libya
657 would have jumped on the band wagon.

658 . Q Was there any discussion of Central America during
659 this meeting?

660 . A No, there really wasn't. The President said he had
661 heard that I had been helpful and various things, and he
662 wanted me to know he appreciated it, and I responded.

663 . Q What did you understand that he meant when he said
664 he heard you had been helpful?

665 . A I don't know, I would be speculating.

666 . Q Was this in relation to contributions to Mr.
667 Channell's organizations?

668 . A He didn't specify, but perhaps that may have been.

669 . Q Yet you recall him saying in substance he heard
670 that you had been helpful?

671 . A I think he said something like that, yes.

672 . Q And he expressed his appreciation for this?

673 . A Yes.

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674 . Q Was there any mention at all of Nicaragua?
675 . A No, I don't recall any specific mention of
676 Nicaragua.
677 . Q Any reference at all to Central America in any way?
678 . A No. As a matter of fact, I sort of regretted it
679 after I got out. I was thinking, "Why did I talk about
680 Libya? I am not in Libya any more, and Libya is sort of
681 water out of the dam, why didn't I ask him about
682 Nicaragua?" But I really didn't get into it.
683 . Q What did you want to ask him?
684 . A What he thought about it and so forth.
685 . Q Now, you mentioned that you also attended a dinner
686 at the White House.
687 . A Oh, yes. That was some years ago. The President
688 of Sri Lanka and his wife were there, and I don't know how I
689 came to be invited, but I was. I really didn't want to go,
690 but my wife said, "We had better go, you may never get
691 invited again." I said, "You are probably right, we
692 probably won't get invited again. If you really want to go,
693 I will go."
694 . Q Was this dinner prior to 1985?
695 . A It seems like to me it was several years ago. You
696 know, three or four years ago.
697 . Q Now, you also said you have met with the President
698 in small groups on two or three other occasions?

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699 . A Yes. Small or large. And I met him when he was
700 actually campaigning for President back ten years ago now, I
701 guess.

702 . Q Other than your meeting in his office that you have
703 described, have you had any other meeting with the President
704 at any time during the last three years?

705 . A I believe I am a member of an organization,
706 Citizens for America, and I believe sometime Lou Lehrman and
707 about seven or eight other members, who were members of that
708 organization, met with him.

709 . Q When was that?

710 . A I think that would have been back in 1983 or 1984.

711 . Q What was the purpose of that meeting?

712 . A I think just a good-will proposition. The
713 organization, Citizens for America, was a strong supporter
714 of President Reagan in his re-election efforts, and Lou
715 Lehrman arranged a meeting, and not much was said, just more
716 shaking hands than anything else.

717 . Q Was Central America discussed at all?

718 . A No.

719 . Q Do you have any official position in Citizens for
720 America?

721 . A No, other than contributor.

722 . Q You are not a board member?

723 . A I don't believe so. I don't recall--if I am a board

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724 member, I don't recall ever being at a meeting.

725 Q Mr. Hunt, have you ever made any payments of any

726 kind related in any way to Nicaragua?

727 A Not specifically. I have given, I think, something

728 to Woody Jenkins refugees fund, and I contributed to

729 "Spitz" Channell's foundation, and that was to help the

730 Nicaraguan Freedom Fighters.

731 Q Any other contributions or payments of any sort

732 other than to Channell and Jenkins?

733 A I don't believe so. I don't think--did I bring

734 copies of--

735 MR. IRWIN: Can we go off the record?

736 [Discussion off the record.]

737 THE WITNESS: You asked about Singlaub earlier. I

738 think I perhaps may have been solicited once by mail or

739 something about General Singlaub, but I don't recall ever

740 contributing. If I did, it wasn't much.

741 BY MR. FREYMAN:

742 Q Other than Singlaub, the Channell organizations and

743 Mr. Jenkins' organization, do you recall any other

744 contributions or payments of any sort?

745 A No, I don't.

746 Q Now, directing your attention to the contribution

747 to Mr. Channell, what prompted that contribution, or

748 contributions?

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749 . A Channell said they had a lot of unpaid bills, and
750 the Freedom Fighter effort was, I think, having problems
751 trying to pay bills. So I told them I would make a
752 contribution.

753 . Q When he referred to unpaid bills, you understood
754 that to be unpaid bills of the Contras, not Mr. Channell's
755 organization. Is that correct?

756 . A That was my impression, yes.

757 . Q Did anyone else speak to you about a contribution
758 to his organization other than Mr. Channell?

759 . A No, no.

760 . Q How many contributions did you make?

761 . A I believe I made two. I think I made one at one
762 time plus a loan, and then I later made the second
763 contribution.

764 . Q Now, did you make the first contribution and the
765 loan in response to his request for funds to meet unpaid
766 bills?

767 . A Yes.

768 . Q And what did he say these were unpaid bills for?

769 . A Food and shelter, medicine, just general expenses
770 of the Contras. He said he was raising money
771 helping--raising money for the Contras.

772 . I recall asking if they were paying salaries for
773 anybody, are you going to pay them to fight? He said, no.

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774 they got no salaries. They got no pay or no salaries. All
775 they did was feed them and try to help them.

776 . Q Did he speak about the need for weapons?

777 . A No, Channell never did to me.

778 . Q Any mention of weapons at all?

779 . A I think I asked him, "What about weapons?" And
780 he said they had enough, they could steal them or they were
781 being given to them by the people on the other side, the
782 Sandinistas. No charge to them.

783 . Q Did you ask him about these missiles for the
784 Russian helicopters?

785 . A I don't recall ever talking to Channell about that.

786 . Q Now, you say you made a contribution and a loan,
787 and then you made a second contribution.

788 . A Yes.

789 . Q First, was the loan repaid?

790 . A Yes, it was.

791 . Q What then prompted the second contribution?

792 . A Well, they still needed money at a later period of
793 time, so I decided to go ahead and make the second
794 contribution.

795 . Q Did Mr. Channell call you again?

796 . A I believe he did, yes.

797 . Q Now, these contributions that you just described,
798 they were made through your law firm, were they not?

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799 . A Yes.

800 . Q What was the reason for that?

801 . A Well, I preferred not to read my name in the

802 Washington Post or other liberal media, and so I decided to

803 make the contributions through the law firm.

804 . Q Did Mr. Channell suggest that the contribution be

805 made in that manner?

806 . A No.

807 . Q That was your idea?

808 . A Yes, it was.

809 . Q Have you made other contributions through your law

810 firm?

811 . A I don't recall that I have.

812 . Q Why did you believe there was a greater risk of

813 publicity as to this contribution?

814 . A Well, I thought the Foundation would have to report

815 the sources of their contributions, I could be wrong about

816 this, and I preferred not to put my name up at that time.

817 . Q Now, you mentioned the original contribution was

818 accompanied by a loan, is that correct?

819 . A Yes.

820 . Q What was the reason for the loan?

821 . A Well, they needed the money, so I told them I would

822 contribute an amount, and I would loan them the money.

823 . Q Now, you said the loan was repaid, is that correct?

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824 . A I believe so, yes.

825 . Q Now, shortly after the loan was repaid, did you

826 make a second gift in approximately the same amount as the

827 loan repayment?

828 . A Yes, I did.

829 . Q What was the reason for that?

830 . A That was the way to make the second contribution.

831 I was hoping they would raise the money from somebody else.

832 but they didn't, so I went ahead and contributed the second

833 amount.

834 . Q You mentioned earlier that you knew Ellen Garwood?

835 . A Yes, I have met her.

836 . Q Were you aware that she was a contributor to Mr.

837 Channell's organization?

838 . A At some point in time, I think I heard that she

839 was, yes.

840 . Q Do you know a John Ramsey?

841 . A I don't place him. Where is he from?

842 . MR. MC GOUGH: Wichita Falls, Texas.

843 . THE WITNESS: I have probably met him, but I really

844 can't place him.

845 . BY MR. FRYMAN:

846 . Q You don't recall any meetings or discussions with

847 Mr. Ramsey?

848 . A No, I never recall speaking to Mr. Ramsey, no.

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849 . Q What other persons do you know contributed to Mr.
850 Channell's organizations?

851 . A I never did ask him who else was contributing, and
852 he didn't tell me.

853 . Q Do you know anyone else in Texas who told you that
854 they were making contributions to any of Mr. Channell's
855 organizations?

856 . A No, I don't know anyone. As a matter of fact, I am
857 not sure, I think I just read about Ellen Garwood in the
858 paper, that she had contributed to Channell's organizations.
859 So I had never heard it from Channell or her, but I did
860 read it in the paper, so I assume maybe there is some
861 validity to it.

862 . Q Do you know of anyone else who has contributed
863 money or made any payments for the purpose of weapons for
864 use in Nicaragua?

865 . A I didn't make any contributions for purchase of
866 weapons, and I don't know of anyone else that has.

867 . Q Going back to the second contribution that you
868 referred to that occurred approximately the same time as the
869 repayment of the loan, why was the amount of that
870 contribution closely related to the amount of the loan
871 repayment?

872 . A No specific reason, except that Channell said they
873 still needed money, he was unable to raise money, and I just

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874 offhandedly said I will just make the loan a contribution,
875 so that was the way it occurred.

876 . MR. FRYMAN: If we could go off the record.

877 . [Discussion off the record.]

878 . MR. FRYMAN: Let me go back on the record.

879 . I ask the reporter to mark as Hunt Deposition

880 Exhibit 1 for identification a subpoena of the House of

881 Representatives issued April 13, 1987, directed to Nelson

882 Bunker Hunt, together with an attached schedule and

883 appendix.

884 . [The Following Document was marked as Hunt Exhibit

885 1 for Identification.]

886

887 ***** COMMITTEE INSERT *****

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888 BY MR. FRYMAN:

889 Q I show you Hunt Exhibit 1 for identification. That
890 is a copy of the subpoena that you were served with, is it
891 not?

892 A Yes, it is.

893 Q And you are appearing here today pursuant to that
894 subpoena?

895 A Yes, I am.

896 MR. FRYMAN: I would also just note for the record
897 prior to the commencement of the deposition, I provided to
898 Mr. Hunt's Counsel, Mr. Irwin, a copy of the resolution
899 establishing the Select Committee of the House of
900 Representatives and a copy of the rules of the Select
901 Committee.

902 I ask the reporter to mark as Hunt Exhibit 2 for
903 identification a group of documents which have been produced
904 by counsel for Mr. Hunt. The documents are numbered H.R. 1
905 through H.R. 325.

906 There is also one page which is not numbered, which
907 is an article from the Wall Street Journal, dated August 23,
908 1985, headed, or with the headline "Taking the Sandinistas
909 at Their Word." The exhibit consists of the documents that
910 were produced. There have been placed certain tabs on
911 certain of the documents, and those tabs are not part of the
912 exhibit.

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913 . [The Following Documents were marked as Hunt
914 Exhibit 2 for Identification.]
915
916 ***** COMMITTEE INSERT *****

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917 RPTS DOTSON

918 DCMN DANIELS

919 . BY MR. FRYMAN:

920 . Q I show you and your counsel Hunt Exhibit 2 for
921 identification and I ask you to confirm that that is the
922 documents that you have produced in response to the subpoena
923 of the House of Representatives.

924 . MR. IRWIN: Off the record.

925 . [Discussion off the record.]

926 . THE WITNESS: Yes.

927 . MR. IRWIN: That is what we produced.

928 . BY MR. FRYMAN:

929 . Q After the receipt of the subpoena that is
930 Deposition Exhibit 1, did you direct that a search be made
931 of your files for all of the documents called for in the
932 subpoena?

933 . A Yes. That is the standard form. We try to turn it
934 over to our leader, in-house counsel, and he is always
935 instructed to fulfill whatever the requests are.

936 . Q And is it your understand that Hunt Exhibit 2 for
937 identification consists of all the documents in your files
938 that are called for by the subpoena?

939 . A Yes, as far as I know. Nothing was withheld as far
940 as I know.

941 . MR. FRYMAN: I now intend to mark as additional

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942 exhibits certain specific pages which are a part of Hunt
943 Exhibit 2 for identification.

944 I ask the reporter to mark as Hunt Exhibit 2-1 for
945 identification a request for check dated September 17, 1985,
946 which is identified as Exhibit HR-36.

947 [The following document was marked as Hunt Exhibit
948 No. 2-1 for identification:]

949

950 ***** COMMITTEE INSERT *****

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951 . MR. FRYMAN: I ask the reporter to mark as Hunt 2-2
952 for identification a copy of a check dated September 17,
953 1985, No. 1042725, which is marked Document HR-37.
954 [The following document was marked as Hunt No.
955 Exhibit 2-2 for identification:]
956
957 ***** COMMITTEE INSERT *****

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958 . MR. FRYMAN: I ask the reporter to mark as Hunt
959 Exhibit 2-3 for identification another request for check
960 dated September 17, 1985, which is marked Document MR-46.
961 [The following document was marked as Hunt Exhibit
962 No. 2-3 for identification:]
963
964 ***** COMMITTEE INSERT *****

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965 . MR. FRYMAN: I ask the reporter to mark as Hunt
966 Exhibit 2-4 for identification another check dated September
967 17, 1985, numbered 1042726, which is a document marked HR-
968 47.
969 . [The following document was marked as Hunt Exhibit
970 No. 2-4 for identification:]
971
972 ***** COMMITTEE INSERT *****

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973 . MR. FRYMAN: I ask the reporter to mark as Hunt
974 Exhibit 2-5 for identification a request for check dated
975 September 27, 1985, which is marked Document HR-48.
976 [The following document was marked as Hunt Exhibit
977 No. 2-5 for identification:]
978
979 ***** COMMITTEE INSERT *****

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980 BY MR. FRYMAN:

981 Q Mr. Hunt, I would ask you to look at Hunt Exhibits
982 2-1, 2-2, 2-3, 2-4 and 2-5, for identification. I ask you
983 first to direct your attention to the two checks, which are
984 2-2 and 2-4.

985 One is Check 1042725 and then No. 2-4, which is
986 1042726.

987 Each of those checks is in the amount of \$237,500.

988 Now, are those the checks to your law firm that were to be
989 the source of funds for a contribution and a loan to Mr.
990 Channell's organization?

991 A Yes, they were.

992 Q Now, what was the reason for choosing the amount
993 \$237,500?

994 A I believe it totals \$475,000, and I believe that
995 was the amount that Channell said they needed to get up on
996 all their past-due bills and what not.

997 Q Is it your recollection you gave him what he asked
998 for?

999 A Yes. Half of it was a contribution and half was a
1000 loan, as I recall.

1001 Q Now, Exhibits 2-1, 2-3, and 2-5 for identification
1002 are requests for check forms; are they not?

1003 A Yes, they are.

1004 Q And are they all signed by you?

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1005 . A Yes, they are.

1006 . Q Now, Exhibit 2-5 is a request for check dated

1007 September 27, 1985, for \$237,500. That date is after the

1008 date of the checks which are Exhibits 2-2 and 2-4.

1009 . Do you know if that request relates to another

1010 check, Mr. Hunt?

1011 . A No, it doesn't relate to another check. It was

1012 just one of those things that checks got prepared before the

1013 request.

1014 . Q On Exhibit 2-5, I direct your attention to the

1015 information that apparently has been stamped in some way on

1016 that form which appears to be 9-17-85, AFP.

1017 . What does that represent?

1018 . A I am not sure. I am sure the 9-17-85 would refer

1019 to the date; perhaps the date of the check. AFP, I don't

1020 know--do you know what that is?

1021 . MR. IRWIN: No.

1022 . BY MR. FRYMAN:

1023 . Q Did you sign each of Exhibits 2-1, 2-3, and 2-5?

1024 . A Yes, I signed all three.

1025 . Q Is it possible that 2-1 and 2-3 are two copies of

1026 the same request form?

1027 . A This one and this one?

1028 . Q No, this one and this one.

1029 . A Well, I guess it is possible, but it does have a

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1030 different date.

1031 . MR. IRWIN: No, he is talking about--excuse me--the
1032 ones that are the same date, may be the same.

1033 . THE WITNESS: What was the question?

1034 . BY MR. FRYMAN:

1035 . Q What I am really interested in determining, and
1036 maybe I asked the question the wrong way: Were there two
1037 separate checks for \$237,500 that are represented by the two
1038 requests for check forms which are Exhibits 2-1 and 2-3?

1039 . A Well, I sent two checks, as I recall, to Channell's
1040 foundation for the same amount, and my recollection was that
1041 one was a contribution, one was a loan at that time.

1042 . I don't know whether that answers the question or
1043 not, but that is my recollection of it.

1044 . Q All right.

1045 . So while there are three requests for check forms,
1046 your recollection is that you had prepared two checks?

1047 . A I think I asked Irwin to do that, yes, to make the
1048 contribution of two checks, and I assume that is what we
1049 did, we sent them two checks.

1050 . MR. FRYMAN: I ask the reporter to mark as Hunt
1051 Exhibit 2-6 for identification a check to Mr. Hunt for
1052 \$237,500, which is marked Document MR-56.

1053 . [The following document was marked as Hunt Exhibit
1054 No. 2-6 for identification:]

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1055

1056 ***** COMMITTEE INSERT *****

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1057 . BY MR. FRYMAN:

1058 . Q Mr. Hunt, I show you Exhibit 2-6 for identification

1059 and ask you to identify that document.

1060 . A You asked me to identify it?

1061 . Q Yes.

1062 . What does that check represent? What do you

1063 understand that represents?

1064 . A Well, it is a check from Shank, Irwin to myself for

1065 \$237,500.

1066 . Q Do you understand that as the repayment of the loan

1067 from Mr. Channell that you referred to?

1068 . A I believe it was, yes.

1069 . MR. FRYMAN: I ask the reporter to mark as Hunt

1070 Exhibit 2-7 for identification a check dated March 13, 1955,

1071 which is Document HR-50.

1072 . [The following document was marked as Hunt Exhibit

1073 No. 2-7 for identification:]

1074

1075 ***** COMMITTEE INSERT *****

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1076 . MR. FRYMAN: I ask the reporter to mark as Hunt
1077 Exhibit 2-8 for identification a request for check dated
1078 March 14, 1986 which is marked Document HR-51.
1079 [The following document was marked as Hunt Exhibit
1080 No. 2-8 for identification:]
1081
1082 ***** COMMITTEE INSERT *****

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1083 . BY MR. FRYMAN:

1084 . Q Mr. Hunt, I show you Exhibit 2-7 for

1085 identification, which is a check from you to the law firm

1086 for \$237,000, and I ask you what that check represents.

1087 . A Well, it is a payment from me to the law firm of

1088 \$237,000, which I think was a request for them to make a

1089 second contribution to Channell's foundation.

1090 . Q And I show you Exhibit 2-8 for identification. Is

1091 that the request for which you prepared that led to the

1092 issuance of Exhibit 2-7?

1093 . A Apparently so, yes.

1094 . Q Does that contain your signature?

1095 . A Yes, it does.

1096 . MR. FRYMAN: I ask the reporter to mark as Hunt

1097 Exhibit 2-9 for identification a check dated July 16, 1985,

1098 for \$10,000, which is Document No. HR-39.

1099 . [The following document was marked as Hunt Exhibit

1100 No. 2-9 for identification:]

1101

1102 ***** COMMITTEE INSERT *****

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1103 . MR. FRYMAN: I ask the reporter to mark as Hunt
1104 Exhibit 2-10 for identification a request for check dated
1105 July 15, 1985, which is Document No. HR-40.
1106 . [The following document was marked as Hunt Exhibit
1107 No. 2-10 for identification:]
1108
1109 ***** COMMITTEE INSERT *****

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1110 . MR. FRYMAN: I ask the reporter to mark as Hunt
1111 Exhibit 2-11 for identification a document with some printed
1112 information and some handwriting which is marked as Document
1113 HR-41.
1114 . [The following document was marked as Hunt Exhibit
1115 No. 2-11 for identification:]
1116
1117 ***** COMMITTEE INSERT *****

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1118 . BY MR. FRYMAN:

1119 . Q Mr. Hunt, I show you Exhibits 2-9 and 2-10 for

1120 identification.

1121 . Is Exhibit 2-9 a check for \$10,000 which you had

1122 made payable to the National Endowment for the Preservation

1123 of Liberty?

1124 . A Yes. That is correct.

1125 . Q And is Exhibit 2-10 the request for check form that

1126 led to that check?

1127 . A Yes, it appears so.

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1128 RPTS DINKEL
1129 DCMM GILE
1130
1131 . Q And is Exhibit 2-10 signed by you?
1132 . A Yes.
1133 . Q This contribution in July 1985 was made by a check
1134 drawn on your own account, was it not?
1135 . A That is correct.
1136 . Q And the contributions we have talked about earlier
1137 were made through your law firm and not on your own account?
1138 . A That is right.
1139 . Q What was the reason for the change?
1140 . A Well, the larger amount--didn't want to have the
1141 publicity on the larger amount.
1142 . Q I show you Exhibit 2-11 for identification. Does
1143 that contain your handwriting?
1144 . A Yes, it does.
1145 . Q What does the handwriting state?
1146 . A It says "National Endowment for the Preservation
1147 of Liberty Foundation, 10305 4th Street, N.E., Washington,
1148 D.C."
1149 . Q What do you recall about making that note?
1150 . A I don't have a recollection.
1151 . Q What is the note written on?
1152 . A It is written on an invitation that my wife and I

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1153 gave a party for a couple of people in Dallas. My secretary
1154 has a habit of using those up as sort of note pads. She
1155 must have given that to me as something to make the note on.
1156 . 2 So, the fact that the note is on that invitation
1157 does not necessarily mean that you made the note either at
1158 the event reflected on the invitation or some other event in
1159 connection with that matter?

1160 . A No. It ^{has} no connection with it at all. This was
1161 a social affair that we--my wife and I had for [REDACTED] and
1162 [REDACTED], and this could have been a year later. Just used
1163 the same--as I say, my secretary hates to throw these things
1164 away. She keeps them around and uses them as note pads.

1165 . I am surprised I put that on there. Must have had
1166 some of them laying on my desk and did it while I had it
1167 handy, before I might have forgotten what I was supposed to
1168 do.

1169 . 2 Mr. Hunt, I am going to show you a group of pages
1170 of the documents which your counsel produced which are
1171 marked numbers HR-57 through HR-86.

1172 . I am not going to mark these as separate sub-
1173 exhibits, but I would like you to look at these pages which
1174 appear to be pages from your daily calendar. And I would
1175 like you to identify for the record and read into the record
1176 entries on each of those pages that relate to the subpoena.

1177 . MR. IRWIN: Let's go off the record.

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1178 . [Discussion off the record.]

1179 . MR. FRYMAN: Let's go back on the record and

1180 explain what these are.

1181 . BY MR. FRYMAN:

1182 . Q Mr. Hunt, looking at the pages which I have shown

1183 you, can you, first, describe to me what those pages are?

1184 . A Well, they appear to be photostatic copies of

1185 appointment books. They appear to have dates on them. They

1186 are photostat copies of my secretary's appointment calendar

1187 or--what you would call an appointment calendar.

1188 . Q These are not records that you maintained yourself?

1189 . A No, I don't.

1190 . Q Have you seen these before?

1191 . A No, I haven't.

1192 . Q Mr. Hunt, I show you the page marked HR-69 from

1193 your secretary's calendar, and I direct your attention to

1194 the entry for June 27, 1985, which apparently has a

1195 reference to Spitz Channel, Washington meeting, 7:00

1196 o'clock, and the White House.

1197 . Does that refresh your recollection about the time

1198 or details of any meeting that you had in Washington?

1199 . A Well, I see the--I see it on the calendar. I don't

1200 associate the date, June 27, 1985. I don't recall anything

1201 with reference to that date.

1202 . It might have been I was invited up here but didn't

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1203 come, or it might have meant that I did come. I just don't
1204 know. But I would say it is one or the other, either I was
1205 invited and came or I was invited and didn't come.

1206 MR. MCGOUGH: That just about covers all
1207 possibilities.

1208 THE WITNESS: In other words, I don't think she was
1209 invited.

1210 MR. FRYMAN: I ask the reporter to mark as Hunt
1211 Exhibit 2-12 for identification a document marked HR-186,
1212 which is a letter from Oliver North dated January 24, 1986.

1213 [The following document was marked as Hunt Exhibit
1214 2-12 for identification:]

1215

1216 ***** COMMITTEE INSERT *****

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1217 . BY MR. FRYMAN:

1218 . Q Mr. Hunt, I show you Exhibit 2-12 for

1219 identification and ask you if that is a letter that you

1220 received from Colonel North?

1221 . A Yes, apparently so.

1222 . Q Do you recall receiving other letters from Colonel

1223 North?

1224 . A No.

1225 . As a matter of fact, I never read that before

1226 yesterday. My lawyer showed it to me, and the reason I am

1227 sure I didn't read it, I always initial in the upper right-

1228 hand corner anything I read, and so I didn't initial it.

1229 . I am sorry I didn't read this at the time it came

1230 in. I missed it.

1231 . Q What is the word written in the upper right-hand

1232 corner?

1233 . A Seems to be "appreciation."

1234 . Q Do you know who wrote that?

1235 . A I think probably my secretary. If not my

1236 secretary, the secretary that read the letter when it came

1237 in.

1238 . Q Is there some procedure for screening mail for you?

1239 . A Well, my secretary opens all the mail, and I guess

1240 she divides it up into something that I need to answer or

1241 don't need to answer. And I gather what must have happened

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1242 on this one--because I haven't seen it before--was that since
1243 it was 'appreciation' it didn't really call for an answer.
1244 . It was setting in the stack, and I never saw that
1245 stack of my mail. I am sorry I didn't.
1246 . 2 Do you recall receiving letters from President
1247 Reagan?
1248 . A No.
1249 . Well, I got a Christmas card from him, but I don't
1250 recall ever getting a letter of this type, thanking me for
1251 my contribution.
1252 . MR. FRYMAN: I ask the reporter to mark as Hunt
1253 Exhibit 2-13 for identification a memorandum of a telephone
1254 call which is document HR-246.
1255 . [The following document was marked as Hunt Exhibit
1256 2-13 for identification:]
1257
1258 ***** COMMITTEE INSERT *****

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1259 . BY MR. FRYMAN:

1260 . Q Mr. Hunt, if you would look at Exhibit 2-13 for

1261 identification and tell me if you saw that telephone message

1262 or if you have seen it before.

1263 . A My lawyer tells me that this--I have never seen it

1264 before, that this actually came from Tom Whittaker's files.

1265 Whittaker works for us in the Dallas office and handles sort

1266 of the public relations.

1267 . Apparently, somebody that was at the newspaper

1268 called him and I never really heard about it. It is the

1269 first time I have seen it.

1270 . Q Do you know who Judy Vance is?

1271 . A I don't know. She might be a reporter from the

1272 Dallas Times Herald.

1273 . Q Do you recall anyone mentioning to you a very

1274 sensitive matter that was related in any way to a call from

1275 Judy Vance?

1276 . A No. No, I don't.

1277 . MR. IRWIN: Let me go off the record just for a

1278 second.

1279 . [Discussion off the record.]

1280 . MR. FRYMAN: I ask the reporter to mark as Hunt

1281 Exhibit 2-14 for identification a telephone message which is

1282 identified as document HR-247.

1283 . [The following document was marked as Hunt Exhibit

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1284 2-14 for identification:]

1285

1286 ***** COMMITTEE INSERT *****

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1287 . BY MR. FRYMAN:
1288 . Q Mr. Hunt, I ask you to look at Exhibit 2-14 for
1289 identification and tell me if you have seen that document
1290 before?
1291 . A I don't recall whether I have seen it or not. It
1292 was a phone call message. That is the way my phone calls
1293 are marked, and I average about 25 a day.
1294 . Frankly, I don't have time to return a third of
1295 them, and so the others sort of get lost in the shuffle. I
1296 guess this is one that I didn't return.
1297 . Q Do you recall any conversation with the person from
1298 the Dallas Morning News referred to on that message slip?
1299 . A No, I didn't speak with her.
1300 . Q Who is Bert Hurlbert?
1301 . A Bert Hurlbert is a fellow who lives in Austin,
1302 Texas who is a conservative. Apparently, he called. It
1303 might have been about the same time, maybe about the same
1304 matter. I don't know. I didn't talk to him either at that
1305 time.
1306 . Q Mr. Hunt, I will not ask the reporter to mark as
1307 Exhibit 2-15 for identification the following pages from the
1308 documents that you produced: HR-53, HR-54, HR-213, HR-214,
1309 HR-272, and HR-273.
1310 . [The following document was marked as Hunt Exhibit
1311 2-15 for identification:]

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1312

1313

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1314 . MR. FRYMAN: Each of these documents or each of
1315 these pages is identified as reflecting contributions from
1316 the M.B. Hunt and Caroline L. Hunt federal income tax return
1317 schedule 36-1.

1318 . BY MR. FRYMAN:

1319 . Q Mr. Hunt, I ask you to look at Exhibit 2-15 for
1320 identification and tell me if each of the amounts and dates
1321 reflected on those pages indicate contributions which you
1322 made to the organization indicated?

1323 . A I don't see any dates on the contributions, when
1324 they were made. All I see is--oh, yes. It says for the year
1325 ending--year ending 1981, year ending 1982, year ending 1985,
1326 year ending 1986, 1984, 1987. I assume those dates are
1327 about--of the year the contributions were made are correct.

1328 . Q Is it your understanding that you made a
1329 contribution for each of the entries reflected on those
1330 sheets?

1331 . A I believe so.

1332 . Here it shows--you have two different--one for the
1333 House of Representatives Committee and you have one for the
1334 District Court subpoena, David Zarnoff. I assume that is
1335 the same contribution. That just answered the subpoena.

1336 . The others don't seem to be duplicates. I assume
1337 maybe the first one is.

1338 . Q So pages HR-53 and HR-54 are duplicates of the same

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1339 contribution for \$85,000 is your understanding?

1340 . A I would think so. I don't recall making that much
1341 of a contribution.

1342 . Q Who prepared these schedules?

1343 . A They were prepared in our office, I guess under the
1344 instructions of Walter Gross.

1345 . Do you know anything further?

1346 . MR. IRWIN: No, I don't. I know the accounting
1347 people were called in. They probably did the schedules at
1348 Walter's request.

1349 . BY MR. FRYMAN:

1350 . Q I have not noted in the papers that you produced
1351 any similar schedules for the contributions to the National
1352 Endowment for the Preservation of Liberty that we have
1353 discussed, particularly the contribution of \$237,500 and the
1354 contribution of \$237,000.

1355 . Do you know how those contributions were handled on
1356 your tax returns?

1357 . A No, I don't. I didn't give them any instructions
1358 on those, and so I don't know how they were handled.

1359 Unfortunately, I don't need the deductions, so--I need some
1360 of the opposite of deductions. I guess it was of no
1361 importance to me.

1362 . Q The contribution for \$237,500 which you made to Mr.
1363 Channell's organization in September of 1985, was that the

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1364 largest charitable contribution you made in 1985?
1365 . A It was the largest contribution I made. I don't
1366 know whether we claimed it as a charitable contribution or
1367 not.

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1368 RPTS DINKEL

1369 DCMH DANIELS

1370 . Q No, I wasn't ask the tax treatment.

1371 . A Yes.

1372 . Q Was that the largest contribution you made in 1985
1373 or the largest donation you made to anything?

1374 . A To anything?

1375 . Q To anything, yes.

1376 . A I don't know. I really--as I sit here, I am not
1377 sure. It may have been, but it may not have been.1378 . Q Were there any other donations as large or larger
1379 that were made to any political organizations in 1985?

1380 . A No, I don't know of any.

1381 . Q And by political organization, I mean any
1382 organization that would be involved in any way in policy
1383 matters or activities in Central America. I would include
1384 that type of organization.1385 . A I don't believe so. No. I don't believe I made
1386 any sizable contributions of that type.

1387 . MR. FRYMAN: I have no further questions.

1388 . Mr. McGough of the Senate may have a few questions.

1389 . MR. McGOUGH: I probably have just 15 minutes. Do
1390 you want to take a brief break and maybe make a brief call
1391 over there?

1392 . MR. IRWIN: We can do without lunch. I think we

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1393 would rather just go.

1394 . MR. McGOUGH: If you want to go?

1395 . MR. IRWIN: Can we take a five-minute break?

1396 . [Brief recess.]

1397 . EXAMINATION ON BEHALF OF THE SENATE SELECT

1398 . COMMITTEE

1399 . BY MR. McGOUGH:

1400 . Q For the record, Mr. Hunt, I am Tom McGough. I am

1401 Associate Counsel for the Senate Select Committee. A copy

1402 of our subpoena was forwarded to Mr. Roach, your counsel,

1403 who forwarded it, I suppose, to Mr. Irwin this morning, the

1404 records in response to that subpoena. I appreciate that.

1405 . My questions to you will be a little bit more

1406 scatter-gun, I think, than Mr. Fryman's. Most of them are

1407 in the way of follow-up sorts of questions. Excuse me for a

1408 little bit of a lack of organization.

1409 . In regard to the Channell organization, did you

1410 or--did you or any member of your family or business

1411 organization ever receive funds for transmittal to a

1412 Channell organization; that is, did you ever act as an

1413 intermediary for any funds?

1414 . A No.

1415 . Q As far as the Channell organization goes, you

1416 mentioned that--I think it is fair to say your principal

1417 contact was with Mr. Channell?

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1418 . A That is right.

1419 . Q To your recollection, did you have any other

1420 contact with anybody else at the organization, a Mr.--I can

1421 give you some names: a Cliff Smith?

1422 . A I have met one or two--at least one other fellow, a

1423 younger fellow, and it may have been Cliff Smith. I am not

1424 positive about the name.

1425 . Q Did you have any dealings, any significant dealings

1426 with anyone other than Mr. Channell?

1427 . A No, I didn't.

1428 . Q Did you ever meet anyone from an organization

1429 called International Business Communications, IBC, as

1430 opposed to IBM?

1431 . A I don't believe so.

1432 . Q A Richard Miller, do you recall him?

1433 . A I don't recall meeting him.

1434 . Q A Frank or Francis Gomez?

1435 . A I don't place those names.

1436 . Q David ^{Fisher} Fisher?

1437 . A David ^{Fisher} Fisher? Is he with the same organization?

1438 . Q Same organization.

1439 . A I never heard the name of that organization, but

1440 the name David Fisher is not--I may have heard that name

1441 before, but I don't know just where.

1442 . Q Prior to your meeting with President Reagan, did

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1443 anyone discuss with you protocol or the way in which the
1444 meeting with President Reagan would proceed?

1445 . A Well, the fellow that took me in there, and his
1446 name might have been Fishar, now that you mentioned it.
1447 That name is faintly familiar. Maybe that is where it comes
1448 from. Is he from California originally?

1449 . Q I am not sure I know the answer to that.

1450 . A Anyway, he said just--President Reagan is very easy
1451 to talk to. Just talk to him about anything you want to.

1452 . Q Did he tell you to specifically talk to him about
1453 any subjects or not to talk to him about any subjects?

1454 . A No, he didn't--

1455 . Q At any time before your meeting with President
1456 Reagan, did anyone instruct you not to discuss anything with
1457 him?

1458 . A I don't recall anyone saying--making any suggestions
1459 at all along those lines. Might have, but if they did, it
1460 was very subtle, passed over my head.

1461 . Q I believe--has anyone every mentioned to you in
1462 connection with the Channell organization something called
1463 the Toys project or the Toys-account?

1464 . A Toys, T-o-y-s?

1465 . Q T-o-y-s.

1466 . A Never heard of that.

1467 . Q Has anyone ever discussed with you--again in

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1468 connection with the Channell organization raising money for
1469 Toys for the children of the Freedom Fighters?
1470 . A No. I haven't heard of that.
1471 . Q The \$237,500 loan that you made to NEPL, if I can
1472 recall it, NEPL, was that check--that check was made at the
1473 same time or approximately the same time as a check that
1474 made--of a similar amount that was a contribution; is that
1475 right?
1476 . A That is my recollection, yes.
1477 . Q Do you recall discussing--do you recall any
1478 documentation of the loan, that is a note or anything of the
1479 sort that would have represented that loan?
1480 . A Seemed like there was a note. Now about that?
1481 . MR. IRWIN: Off the record for a second.
1482 . [Discussion off the record.]
1483 . MR. MCGOUGH: Let's mark this as Hunt Deposition
1484 Exhibit 3-A and B.
1485 . [The following documents were marked as Hunt
1486 Deposition Exhibit Nos. 3-A and 3-B, respectively, for
1487 identification:]
1488
1489 ***** COMMITTEE INSERT *****

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1490 . MR. McGOUGH: Let's also mark 3-C.
1491 . [The following document was marked as Hunt Exhibit
1492 No. 3-C for identification:]
1493
1494 ***** COMMITTEE INSERT *****

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1495 . BY MR. McGOUGH:

1496 . Q Let me show you, Mr. Hunt, what have been marked as
1497 Exhibits 3-B and C for the record. 3-A and 3-C are pieces
1498 of correspondence on the letterhead of Shank, Irwin & Conant
1499 dated September 18, 1985; and 3-B is an unsecured note dated
1500 September 17, 1985, made out in the name of National
1501 Endowment for the Preservation of Liberty.

1502 . If you would take a look at those, perhaps we can
1503 get a stipulation those were provided pursuant to our
1504 subpoena to the law firm.

1505 . MR. IRWIN: Yes.

1506 . For the record, let me say that Mr. Hunt wants to
1507 cooperate in every way and is not asserting any kind of
1508 attorney-client privilege or any other privilege that might
1509 be applicable to any of this information.

1510 . But that is with the understanding he is not just
1511 generally waiving the attorney-client privilege in every
1512 litigation he is a party to. We don't want to get into that
1513 can of fish.

1514 . As far as the stipulation is concerned, yes, I will
1515 stipulate these are accurate copies of the documents
1516 produced out of Mr. Shank's files at Shank, Irwin & Conant.

1517 . BY MR. McGOUGH:

1518 . Q Will you take a look at those three exhibits,
1519 please.

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1520 . I believe one of them purports to bear our
1521 signature. I believe that is 3-A, which has a line for your
1522 signature.

1523 . Is that right?

1524 . A That is right.

1525 . Q Is that, in fact, your signature?

1526 . A Yes, it is.

1527 . Q 3-B and 3-C don't really bear any signatures on
1528 them. My question is going to be have you ever seen any of
1529 the--you signed 3-A? You must have seen that.

1530 . A Yes.

1531 . Q Have you ever seen 3-B and 3-C before?

1532 . A I don't believe so.

1533 . Q Were you aware that the loan that you were making
1534 to the National Endowment for the Preservation of Liberty
1535 was to bear interest?

1536 . A I don't recall whether that was discussed or not.
1537 I think it probably was.

1538 . Q When you say was--

1539 . A That it was to bear interest. I think I told
1540 Channell the note would bear interest.

1541 . Q I believe 3-B and 3-C both reflect there is, in
1542 fact, an interest rate associated with the loan; is that
1543 right?

1544 . A Yes. They both mention 9-1/2 percent.

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1545 . Q When the loan was ultimately repaid, was it repaid
1546 with interest?

1547 . A I don't know.

1548 . Q Can we agree that the check--

1549 . MR. IRWIN: Let me cut through this and tell you
1550 for the record our files do not reflect any interest was
1551 paid.

1552 . MR. McGOUGH: There was a check marked as one of
1553 the exhibits. It was the check made out to you from Shank,
1554 Irwin & Conant, HR-56. The amount was \$237,000. I think
1555 that was repayment of the loan.

1556 . Is that your recollection?

1557 . THE WITNESS: Yes, sir.

1558 . BY MR. McGOUGH:

1559 . Q Would it be safe to assume when the loan was
1560 repaid, there was not any interest paid on the loan?

1561 . A I assume that is correct.

1562 . Q Do you recall receiving separate payments from NEPL
1563 to Shank, Irwin & Conant that might have been on interest?

1564 . A I don't recall receiving any.

1565 . Q Let me ask you a couple of questions about how
1566 these check requests are prepared in your office, if I
1567 could, Mr. Hunt.

1568 . Let me pull one out as an example. I am not going
1569 to mark this as an exhibit, but just so you have something

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1570 to refer to. It is one of the ones you produced for Western
1571 Goals.

1572 . Who is responsible for preparing the request form.
1573 check?

1574 . A Well, usually it is my secretary. I think that may
1575 be my signature down there. I am not sure. Looks like it
1576 anyway, a little bit.

1577 . Q Let's talk in specific regards to contributions.
1578 What--how would a contribution or a request for a check for a
1579 contribution be generated? What is the usual mechanism to
1580 go from your decision to make the contribution to
1581 something--to the request for check?

1582 . A They would go from me to probably my secretary and
1583 she would prepare the check request and I would sign it.

1584 . Q Would you give your secretary some explanation of
1585 the reason for the check request?

1586 . A I might. I usually would.

1587 . Q Then it would be prepared up for your--for someone's
1588 signature; is that right?

1589 . A Yes, usually. Usually my signature.

1590 . Q When you sign off on these requests, is one of the
1591 things that you look at the--do you determine whether or not
1592 the explanation is accurate, whether the check is accurately
1593 reflected on the request?

1594 . A When you say an explanation, you mean like--

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1595 . Q Right.

1596 . A I think--this looks like it might have been a

1597 contribution, but I can't say. It is so bad.

1598 . Q Let's get a better copy here.

1599 . At any rate, there is a space on the check request

1600 for explanation of why?

1601 . A Yes.

1602 . Q Would it be your custom to make sure that there was

1603 some explanation on that portion of the check request?

1604 . A Usually, yes.

1605 . Q And that would be for the benefit of the accounting

1606 department so they would have something for their records?

1607 . A I would say so, yes.

1608 . Q Can we agree that that would be particularly

1609 significant in regard to large checks so that the account

1610 department would have some indication?

1611 . A Well, possibly, yes.

1612 . MR. McGOUGH: Let's mark as Exhibit 4-A and 4-B, HR-

1613 40 and HR-39.

1614 . Have they been marked? I don't think so.

1615 . Oh, they have been marked.

1616 . Let's just look at what have been marked as

1617 Exhibits 2-9 and 2-10 which I think have been previously

1618 identified as the check requests--or the check requests and

1619 the check for the \$10,000 contribution to NEPL in 1985.

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1620 . Is that right?

1621 . THE WITNESS: It appears to be, yes.

1622 . BY MR. MCGOUGH:

1623 . Q On that explanation on the voucher portion of

1624 check, it reads contribution, does it not?

1625 . A That is correct.

1626 . Q That is what it was? It was a contribution?

1627 . A Yes.

1628 . Q Let's take a look at HR-36 and HR-37; HR-46 and HR-

1629 47. I am just trying to compare them, if I can.

1630 Particularly you are going to be interested at this point in

1631 the requests for checks as opposed to the checks themselves.

1632 They have been identified as Exhibits 2-1 and 2-2, 2-3 and 2-

1633 4, and Exhibits 2-5 and 2-6.

1634 . There may be a duplicate here. I think, as a

1635 matter of fact, one of these--2-3 and 2-4 may be duplicate

1636 copies of 2-1 and 2-2.

1637 . Q But be that as it may, can we agree there is no

1638 explanation on any of those check requests?

1639 . A That is correct.

1640 . Q Is that--for a check of the magnitude of \$237,000,

1641 would you find that surprising?

1642 . A Well, it was not a business matter. I wasn't

1643 paying the Shank, Irwin firm a legal fee. There was no

1644 reason for that. So I didn't put that on it. It wasn't a

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1645 contribution to Shank, Irwin. We just left it blank.
1646 Probably should have had something on it.
1647 . Q Let's take a look at 2-7 and 2-8 which are check
1648 requests for the March 14 contribution.
1649 . A Yes.
1650 . Q We can agree there is no indication on there as to
1651 the purpose of the check?
1652 . A That is right. As far as I know, there is no law
1653 requiring that you put a purpose on there.
1654 . Q I understand that.
1655 . From where would these requests for checks go? I
1656 mean from your desk, where would they go, is, I guess, what
1657 I am trying to ask?
1658 . A They would go to the cashier's office that prepares
1659 checks.
1660 . Q And in the case of the checks actually being
1661 prepared, there is a stub there, is there not, where the
1662 amount of the check and the invoice number and that sort of
1663 thing is normally typed on in the cashier's office; is that
1664 right?
1665 . A I don't know. I don't know whether there is a stub
1666 at all on the check.
1667 . Q Let's look at a \$10,000 check which is 2-9. That
1668 has got "contribution, \$10,000, on it; does it not?
1669 . A Yes.

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1670 . Q Would anyone have called you from the accounting
1671 office to ask you what the checks were for? Do you recall
1672 getting any kind of questions as to what \$237,000 checks
1673 were for?

1674 . A No. These were my own personal funds. They
1675 weren't business funds.

1676 . Q Was the \$10,000 check also from your own personal
1677 funds?

1678 . A Yes.

1679 . Q And one of the reasons you would have put the
1680 \$10,000--on the \$10,000, correct the word
1681 "contribution"--was so that at a later time your
1682 accountants would know to detect that amount; is that not
1683 right?

1684 . A Well, perhaps yes. I guess that would be correct.

1685 . Q And, in fact, I think according to the records that
1686 have been produced, that amount was, in fact, detected as a
1687 tax matter; was it not?

1688 . A Well, it may have been. Frankly, a deduction
1689 doesn't do me any good. My tax losses are tremendous. So a
1690 deduction, I don't--it is really academic.

1691 . Q One of the checks that has no purpose on it was, in
1692 fact, a loan; is that right?

1693 . A That is correct.

1694 . Q Was anyone within your organization, as opposed to

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1695 the people at Shank, Irwin & Conant, notified that you were
1696 making a loan to MEPL?

1697 . A I don't recall notifying them about it.

1698 . Q Was there anything about the \$237,000 contribution
1699 that led you to believe it wouldn't be tax deductible?

1700 . A No.

1701 . Q Was there anything about the \$237,000
1702 contribution--and I guess there are two of them--that made you
1703 reluctant to reveal those contributions to the IRS?

1704 . A No. Like I said, I probably have a tax loss--I hate
1705 to think how much it is. You know, a charitable
1706 contribution, you can deduct 5 percent, a fairly small
1707 percentage. It just wasn't worth--then you are going to get
1708 publicity on the contribution, which I didn't want. So it
1709 wasn't worth it. I couldn't use the deduction and why do it
1710 in such a fashion that you are going to get a lot of
1711 publicity about it?

1712 . Q Were there any other contributions that you made in
1713 1985 and 1986 that you recall--where you recall leaving the
1714 explanation part on the check request blank?

1715 . A No, I don't recall any others.

1716 . Q Do you recall anyone, your secretary, or anyone in
1717 your organization, asking you what the purpose of those
1718 checks were to fill in at some point as a bookkeeping matter
1719 or out of curiosity?

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1720 . A I don't recall. They may have. I would have said
1721 it is a personal matter, just an advance.
1722 . Q To your knowledge, did you ever receive a signed
1723 note back from MEPL, what we introduced here is a copy of an
1724 unsigned note?
1725 . A I don't know. I don't know whether we received a
1726 signed note or an unsigned note.
1727 . Q Did you ask for any security or collateral on the
1728 loan?
1729 . A No, I didn't.

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1730 RPTS DOTSON

1731 DCHM DANIELS

1732 . BY MR. MCGOUGH:

1733 . Q I believe you already said you don't recall making
1734 contributions through your law firm or another law firm at
1735 any other time; is that right?

1736 . A No, I don't.

1737 . MR. MCGOUGH: Let me have this marked. This is HR-

1738 95. Let me have it marked as whatever the next exhibit is.

1739 . [The following document was marked as Hunt

1740 Exhibit No. 4 for identification:]

1741

1742 ***** COMMITTEE INSERT *****

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1743 MR. McGOUGH: For the record, Exhibit 4 is the
1744 deponent's No. HR-95 and it appears to be a phone message
1745 dated April 2, 19--at the top, I think it says 1987.

1746 BY MR. McGOUGH:

1747 Q Do you recall receiving that, Mr. Hunt?

1748 A No, I don't recall seeing this.

1749 Q Could you just read what the phone message says?

1750 A It is to me from Spitz Channell, but I didn't write
1751 this. I assume my secretary did. It says, "All
1752 contributors have been contacted reference Colonel
1753 North"---it was written April 2, 1987---"All contributors have
1754 been contacted with reference to Colonel North to basically
1755 find out what was said. Over."

1756 I don't really know what they are talking about.

1757 Q Other than the one telephone conversation you
1758 discussed with Mr. Fryman, do you recall any other
1759 communications--and anything that might be represented by
1760 that phone message--do you recall any other communications to
1761 or from Mr. Channell or any of his representatives?

1762 A No. The only time I recall talking to Channell was
1763 when I called him about the FBI man, Brian Delaney, an Irish
1764 boy out of this office, I believe here, and I just called
1765 him to ask him who this guy was and what he had in his mind.

1766 He said, "I know him very well. He spent a couple months
1767 with us."

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1768 He said, "He is a nice fellow. Tell him whatever you
1769 know."

1770 Q When was the first time you knew that Ellen Garwood
1771 had made contributions to MEPL?

1772 A Really, I didn't. I said I knew she had. I saw
1773 her at one of her dinners and then I heard that she gave a
1774 helicopter or something, maybe I read that in the newspaper,
1775 to the Freedom Fighters, and then I heard that--then I read
1776 it in the paper the other day that she had been a sizable
1777 contributor to the Freedom Fighters Fund.

1778 Q Have you ever spoken to Mrs. Garwood about Channell
1779 or the Channell organization?

1780 A No, I haven't.

1781 Q Have you seen Mrs. Gardwood since the story; let's
1782 say, since January of this year?

1783 A No, I don't believe I have. I don't recall. I
1784 haven't seen her in the last year, year and a half, and I
1785 think this was more recent than that that it was in the
1786 paper.

1787 Q Do you know Patricia Back?

1788 A From Dallas?

1789 Q Yes, from Dallas.

1790 A Yes, I know her.

1791 Q Have you ever discussed the Channell organization
1792 with Mrs. Back?

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NAME: HIR114000

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1793 . A If she is the one I am thinking of, she was the
1794 wife of Henry Beck. They are divorced now. If that is the
1795 woman you are asking about.
1796 . MR. McGOUGH: That is all I have.
1797 [Whereupon, at 12:40 p.m., the deposition concluded.]

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Rec 4/20/87
N 10:30

Subpena (Deposition)

**By Authority of the House of Representatives of the
Congress of the United States of America**

To Nelson Bunker Hunt

You are hereby commanded to be and appear before the Select Committee on to
Investigate Covert Arms Transactions with of the House of Representatives of
Iran
the United States, of which the Hon. Lee H. Hamilton is chairman, in
Room H-419 of the Capitol Building _____, in the
city of Washington, on April 24, 1987 at the hour of 9:00 a.m.
then and there to produce the things identified on the attached schedule and to testify on deposition
touching matters of inquiry committed to said Committee; and you are not to depart without leave
of said Committee.

To any Select Committee staff member or U.S. Marshal
to serve and make return.

Witness my hand and the seal of the House of Representatives
of the United States, at the city of Washington, this
13th day of April, 1987.

Re. H. H. R.

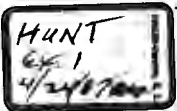
Chairman.

Attest:

Donald K. Anderson
Clerk.

W. Raymond Colley

BY: W. Raymond Colley, Deputy Clerk



SCHEDULE -- Nelson Bunker Hunt

1. The respondent to this subpoena shall produce all materials pertaining, referring, or relating in any way whatever to:
 - a. Carl R. Channell and/or any entity with which Carl R. Channell is or was associated, including, but not limited to (i) National Endowment for the Preservation of Liberty, (ii) Channell Corporation, (iii) Sentinel, (iv) American Conservative Trust, (v) American Conservative Foundation, (vi) Grow Washington, (vii) Hill-Potomac Group, (viii) Western Goals Endowment Fund, (ix) Western Goals Foundation, (x) Anti-Terrorism American Committee, and (xi) American Conservative Trust State Election Account;
 - b. Richard R. Miller and/or any entity with which Richard R. Miller is or was associated, including, but not limited to (i) International Business Communications, Inc., (ii) Institute for North-South Issues, (iii) I. C., Inc., (iv) Intel Co-Operation, Inc., and (v) World Affairs Counselors, Inc.
 - c. Dan H. Kuykendall and/or any entity with which Dan H. Kuykendall is or was associated, including, but not limited to, the Gulf and Caribbean Foundation;
 - d. Robert Owen and/or any entity with which Robert Owen is or was associated, including, but not limited to (i) Institute for Democracy, Education, and Assistance, (ii) Council for Democracy, Education, and Assistance, and (iii) Institute on Terrorism and Subnational Conflict;
 - e. the involvement of Oliver L. North, Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen in political advocacy or campaigns or efforts to influence public opinion or legislation relating to anti-government forces in Nicaragua commonly known as the Contras;
 - f. the use of any funds that were at any time under the control of Oliver L. North, Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen in political advocacy or campaigns or efforts to influence public opinion or legislation relating to anti-government forces in Nicaragua commonly known as the Contras;
 - g. Toyco S.A., a monetary account referred to as "Toys", or any other account or entity with the word "Toy" in the name;
 - h. communications between Carl R. Channell, Richard R. Miller, Dan H. Kuykendall, or Robert Owen and White House personnel, or between any of those individuals and any third party relating to White House personnel, including, but not

- 2 -

limited to, any communications with or relating to Oliver L. North or President Ronald Reagan.

i. any contract, agreement, or consultant arrangement involving, or any compensation from, any department, division, or agency of the United States government, any State or political subdivision thereof, or any foreign government or political subdivision thereof, whether executed or not;

j. any transaction with any bank or financial entity in Switzerland, Panama, Bermuda, or the Cayman Islands;

k. (i) any arms transaction directly or indirectly through any third party with Iran, Israel, Manucher Ghorbanifar, Albert Hakim, Adnan Khashoggi, Yaacov Nimrodi, Amiram Nir, Adolph (Al) Schwimmer, Richard Secord, or John Singlaub; (ii) any arms transaction directly or through any third party, with Lake Resources, Inc., or any company or entity owned by, controlled by, or affiliated with, the previously named persons or company; (iii) any arms transaction directly or indirectly through any third party with anti-government forces in Nicaragua commonly known as the Contras or any other person or entity in Nicaragua; and/or (iv) any transaction to or from any person or entity of TOW missiles, Hawk anti-aircraft missiles or parts, or F-14 aircraft parts;

l. any American citizen held hostage;

m. the anti-government forces in Nicaragua commonly known as the Contras, including, but not limited to, the provision of financial, military, or other assistance or support of any kind to, or for the benefit of, such forces, or any person or entity now or formerly associated with such forces, whether in Nicaragua or elsewhere;

n. for Bermuda, the Cayman Islands, Costa Rica, Denmark, El Salvador, Guatemala, Honduras, Hong Kong, Iran, Israel, Liberia, Lichtenstein, Nicaragua, Portugal, Saudi Arabia, and Switzerland, (i) any correspondence, telex, or other oral or written communication to or from any person or entity located in these countries, or (ii) any statement, check, deposit slip, or other material relating to any bank or financial institution account in located in these countries; or

o. any tax record of any kind, including, but not limited to, any federal, state, and local filing, accompanying schedules, supporting documents, and work papers relating to such record;

- 3 -

p. any communication service, including, but not limited to, local and long distance telephone service, mobile telephone service, paper, telex, telecopy, and expedited mail service; or

q. any person or entity listed in Appendix A hereto.

2. The term "materials" as used in this subpoena includes any book, note, record, check, cancelled check, bank statement, correspondence, memorandum, paper, calendar, or any other document, recording, or data compilation from which information can be obtained, which are owned by you or which are in any way subject to your possession, custody, or control or that of any agent of yours.

3. If you or your counsel have any questions regarding this subpoena, please contact Thomas Fryman at (202) 225-7902.

APPENDIX A

1. Any of the following persons:

Bermudez, Enrique	Lilac, Robert
Calero, Adolfo	McMahon, Steve
Calero, Mario	McFarlane, Robert
Cameron, Bruce	F. Andy Messing, Jr.
Conrad, Daniel L.	Montes, Oscar
Chamorro, Pedro	Nimrodi, Yaacov
Cooper, William J.	Nir, Amiram
Clines, Thomas	North, Oliver L.
Cruz, Arturo	Poindexter, John
Cruz, Arturo, Jr.	Quintero, Rafael
de Senarclens, Jean	Robelo, Alfonso
Dutton, Robert	Robles, Rodolfo
Fischer, David	Rodriguez, Felix aka Max Gomez
Furmark, Roy	Rose, Jose Bueso
Gadd, Richard	Sacasa, Marrio
Garnel, Jose	Sanchez, Aristides
Ghorbanifar, Manucher	Schwimmer, Adolph (Al)
Gomez, Francis	Secord, Richard V.
Hakim, Albert	Shackley, Theodore
Hashemi, Cyrus	Singlaub, John L.
Hull, John	Soghanalian, Sarkis
Kashoggi, Adnan	Sommeriba, Leonardo
Kimche, David	Wilson, Edwin
Ledeem, Michael	von Marbod, Erich.
Lilac, Robert	Zucker, Willard I.

2. Any person employed by, acting as an agent for, or representing:

U. S. Air Force
 Military Airlift Command
 Central Intelligence Agency
 National Security Council
 President's Intelligence Oversight Board
 Federal Aviation Administration
 Geneva Commercial Registry
 Military Reutilization and Material Supply Department,
 Portugal
 National Armaments Directorate, Portugal
 Nugen-Hand Bank, Australia
 Overseas Defense Corp.
 Department of Defense
 Lloyd's of London
 any agency, division, or department of the United States
 government with responsibility for foreign relations,
 for intelligence activities, or for manufacturing,
 storing, shipping, selling, transferring, monitoring,
 or accounting for any arms, munitions, or military
 personnel
 any agency, division, or department of the government of,

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any instrumentality of, or any national of, or person located in Iran, Israel, Switzerland, Panama, Bermuda, Liberia, Lichtenstein, the Cayman Islands, Portugal, Denmark, Saudi Arabia, El Salvador, Costa Rica, Nicaragua, Honduras, or Guatemala

3. Any of the following entities, or any entity whose name is as listed, but followed by Inc., Corp., Corporation, Ltd., Co., Company, or SA., doing business in any location whatever:

ACE
 Airmach, Inc.
 Albon Values
 Alpha Services, S.A.
 Amalgamated Commercial Enterprises, Inc.
 American Marketing and Consulting, Inc.
 American National Management Corporation
 Baggett Transportation Company
 CSF
 CSF Investments Ltd.
 CSFR Inv. Ltd.
 Chester Co.
 Compagnie de Services Fiduciaires SA
 Corporate Air Services, Inc.
 Dataguard International
 Defex - Portugal
 Dolmy Business, Inc.
 EAST Inc.
 EATSCO
 Eagle Aviation Services and Transportation
 Egyptian American Transport Services, Inc.
 Energy Resources International
 Fifteenth of September League
 Gulf Marketing Consultants
 Hyde Park Holdings
 Hyde Park Square Corporation
 I. B. C.
 IDEA
 Intercontinental Technology
 International Research and Trade
 Kisan
 Lake Resources Corp.
 Lake Resources, Inc.
 Lilac Associates
 Maule Air, Inc.
 Missurasata
 NRAF Inc.
 National Defense Council Foundation
 National Liberation Army
 N. S. I.
 Nicaraguan Democratic Force (FDN)
 Nicaraguan Democratic Union
 Nicaraguan Development Council

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Nicaraguan Freedom Fund, Inc.
Nicaraguan Revolutionary Armed Forces (FARM)
Project Democracy
Queen Shipping
R. M. Equipment Co.
Revolutionary Democratic Alliance (ARDE)
S & S Trading Corp.
SOME Aviation
Secord Associates
Southern Air Transport, Inc.
Southern Bloc Opposition (BOS)
Stanford Technology, Inc.
Stanford Technology Trading, Inc
Stanford Technology Trading Associates, Inc.
Systems Services International
Trans World Arms Inc.
Udall Corporation
Udall Research Corporation
Udall Resources, Inc., S.A.
United Nicaraguan Opposition (UNO)

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**PUBLIC REPORT
OF THE
VICE PRESIDENT'S TASK FORCE
ON COMBATting TERRORISM**

FEBRUARY 1986

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Released on 11-15-88
by K. Johnson, National Security Council

5378

UNCLASSIFIED*NSA*THE WHITE HOUSE
WASHINGTON

February 12, 1987

Dear Mr. Hunt:

Thank you for your letter dated September 18, 1986, addressed to the President, describing the project to erect a memorial to Congressman Lawrence McDonald of Georgia in a prominent place in Washington, D.C.

While this effort is a noble one, we regret that the President will be unable personally to become involved in it. We wish you, nonetheless, every success with this endeavor.

Sincerely,

Fred Ryan

FREDERICK J. RYAN, JR.
Director of Presidential Appointments
and Scheduling
Director of Private Sector Initiatives

~~Excluded from automatic release~~ Released on 11 Feb 88
by K. Johnson, National Security Council

Mr. Nelson Bunker Hunt
Thanksgiving Tower
Dallas, Texas 75201

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THE WHITE HOUSE
WASHINGTON

October 10, 1985

Dear Mr. Channell:

On August 30, I signed Executive Order 12530 authorizing the provision of \$27 million in humanitarian assistance to the freedom fighters in Nicaragua. This week the Nicaraguan Humanitarian Assistance Office (NHAO) commenced work on the distribution of food, clothing, and medical supplies so desperately needed by the men and women who struggle for liberty in Nicaragua.

Passage of the legislation, which made my Executive Order and the NHAO possible, was a significant victory for the cause of freedom in Central America. It would not have been achieved without the help of the American Conservative Trust and its supporters. Your organization's effort to go to the public via television in support of this program was a significant factor in helping people to understand this issue.

You and your organization have made a remarkable contribution to the course of democracy in Central America. Keep up the good work.

Sincerely,

Ronald Reagan

~~Officially Classified~~ Released on 11 FEB 88

~~Source provided to G.O. 10360~~
by K. Johnson, National Security Council

Mr. Carl Russell Channell
President
The American Conservative Trust
305 Fourth Street, N.E.
Washington, D.C. 20002

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HR-169

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THE WHITE HOUSE
WASHINGTON

June 25, 1985

Dear Mr. Channell:

Thank you for your letter concerning the American Conservative Trust and your television messages.

It is indeed critical that the American people are informed about the current situation in Nicaragua. Thank you for the work you are doing in this regard.

The President greatly appreciates your efforts in support of his policies.

Sincerely,



Edward J. Rollins
Assistant to the President
for Political and
Governmental Affairs

Mr. Carl Russell Channell
President
American Conservative Trust
305 4th Street, N.E.
Suite 210
Washington, D.C. 20002

~~Formerly Confidential~~ Released on 11 FEB 88
~~Under provisions of E.O. 13526~~
by K. Johnson, National Security Council

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Stenographic Transcript of

HSITS

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HEARINGS

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

DEPOSITION OF FRED C. IKLE

Tuesday, July 21, 1987

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Partially Declassified

12/22/87

under provisions of E.O. 12356

by N. Manan, National Security Council Washington, D.C.

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1 DEPOSITION OF FRED C. IKLE

2 Tuesday, July 21, 1987

3 United States Senate

4 Select Committee on Secret

5 Military Assistance to Iran

6 and the Nicaraguan Opposition

7 Washington, D. C.

8 Deposition of FRED C. IKLE, called as a

9 witness by counsel for the Select Committee, in the

10 offices of Dr. Ikle, The Pentagon, Washington, D. C.,

11 commencing at 4:10 p.m., the witness having been duly

12 sworn by MICHAL ANN SCHAFER, a Notary Public in and for

13 the District of Columbia, and the testimony being taken

14 down by Stenomask by MICHAL ANN SCHAFER and transcribed

15 under her direction.

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1 APPEARANCES:

2 On behalf of the Senate Select Committee on Secret
3 Military Assistance to Iran and the Nicaraguan
4 Opposition:

5 JOHN SAXON, ESQ.

6 On behalf of the House Select Committee to
7 Investigate Covert Arms Transactions with Iran:

8 ROBERT GEMMAN, ESQ.

9 ROGER KREUZER

10 On behalf of the Department of Defense:

11 EDWARD SHABERO, ESQ.

12 Assistant General Counsel, Legal Counsel

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1	<u>C O N T E N T S</u>	
2	<u>EXAMINATION ON BEHALF OF</u>	
3	<u>WITNESS</u>	<u>SENATE</u> <u>HOUSE</u>
4	Fred C. Ikle	
5	By Mr. Saxton	4
6	<u>E X H I B I T S</u>	
7	<u>IKLE EXHIBIT NUMBER</u>	<u>FOR IDENTIFICATION</u>
8	1	22
9	2	24
10	3	27
11	4	33
12	5	39
13	6	42

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Whereupon,

FRED C. IKLE,

called as a witness by counsel on behalf of the Senate Select Committee and having been duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q Would you state your name, please?

A Fred Charles Ikle.

Q Dr. Ikle, what is your current position?

A Under Secretary of Defense for Policy.

Q And I believe you've been in that position since April 1981; is that correct?

A Correct.

Q And could you briefly tell us what your duties are in that position?

A To advise the Secretary of Defense on policy issues, military strategy, to coordinate for him the work done by the elements in the policy cluster -- ISA, ISP, the Deputy Under Secretaries.

Q ISA is International Security Affairs; ISP is International Security Policy?

A Right.

Q We have to say these things on the record for

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1 subsequent readers, so that while you and I and everyone
2 else around the table may know what you mean, we need to
3 spell that out sometimes.

4 And do you also have, or I assume you still do
5 -- I think you at one point had terrorism policy and
6 counterterrorism policy under you; is that correct?

7 A Terrorism and counterterrorism as far as the
8 OSD role is concerned, as distinct from the role of other
9 elements in the Department, are still part of the policy
10 cluster.

11 Q And am I correct in saying that you have the
12 Department-wide [REDACTED] under you as one of
13 your indirect responsibilities?

14 A Yes. The so-called [REDACTED] for our
15 link with the Central Intelligence Agency is in the
16 policy cluster as well.

17 Q And let me say for the record from the outset
18 if I make reference to something you have told us
19 previously I don't mean necessarily in this deposition,
20 unless I say that. For the record, you were kind enough,
21 on April 27 of this year, to meet with Mr. Kreuzer and
22 Joe Saba of the House staff and myself, so if I say "as
23 you told us previously" or "as you told us in April",
24 that's what I have in mind.

25 Let me start by asking you about the [REDACTED]

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1 [REDACTED] and have you just state generically what it
2 is and why it exists and what it's supposed to do and
3 govern.

4 A This system or cluster of people, who are
5 reporting to me through the Deputy Under Secretary, the
6 principal Deputy Under Secretary, serves follow,
7 supervise, coordinate the OSD and the Secretary's role in
8 covert action, to bring to bear policy inputs in covert
9 action and other similar intelligence-related or CIA-
10 related activities.

11 Q Is it fair to say that one of its purposes is
12 to ensure proper staffing of a request to transfer
13 materiel or equipment to the CIA both as to issues like
14 readiness and the legal review that's necessary?

15 A One of its functions, yes, could be said to be
16 that. May I add a point here? I believe we still do not
17 in an unclassified way identify this cluster of people
18 with this activity. It has a different name, as you
19 know.

20 Q Yes, sir. Do you have an opinion as to
21 whether the [REDACTED] was either utilized or
22 bypassed with regard to the Iran arms transfer, what the
23 Army knew as Project SNOWBALL -- that's the TOW missiles
24 -- and Project CROCUS, the name they gave to the HAWK
25 repair parts?

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1 A The people at the staff level involved in the
2 [REDACTED] were not utilized. I wouldn't use the
3 word "bypassed" for the fact that the Secretary of
4 Defense himself was directly involved in this, at that
5 time, very sensitive action. And he has the authority,
6 clearly, to shrink down the number of people involved.
7 The system serves the Secretary. It's not there for some
8 other purpose.

9 Q And in fact the system as it exists now was
10 created by or at the direction of Secretary Weinberger;
11 is that correct?

12 A At least I can speak to exactly what existed
13 before under Secretary Brown. I know the unit existed
14 when I assumed office here. But the detailed procedures
15 laid down in the DOD directive were instituted under
16 Secretary Weinberger.

17 Q Mr. Secretary, are you aware of any sensitive
18 transfers from any of the services to the CIA in your
19 tenure which have not gone through the [REDACTED]
20 other than these?

21 A By transfers you mean --

22 Q Materiel or equipment.

23 A Equipment or materiel, not information or
24 documents?

25 Q Yes, sir.

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1 A No, I'm not aware of any transmittal of
2 equipment or materiel to the Agency of significant value.

3 Q Is it fair to say that there have been some
4 transfers that in fact were fairly sensitive, such as
5 [REDACTED] or support to the CIA [REDACTED]
6 [REDACTED] Those, in fact, as I understand it, have
7 gone through the [REDACTED] formally, is that
8 correct?

9 A Yes. The [REDACTED] serves to handle
10 requests from the Agency, normally under a Finding, for
11 materiel or for services, and then it serves to process
12 these requests and respond to them.

13 Q Do you know whether those parties here in the
14 Department involved in working a particular request as
15 part of the [REDACTED] actually see the Finding?
16 Is that part of the process or not?

17 A Could you repeat the question?

18 Q When you have a request for transfer to the
19 CIA which goes through the formal [REDACTED] do
20 the parties within the Department of Defense or within a
21 particular service who are working that requirement as
22 part of the [REDACTED] actually see the Finding?

23 A I guess I have a problem with the word
24 "parties".

25 Q Individuals?

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1 A I normally see the Findings. [REDACTED] who
2 is now in charge of the [REDACTED] would handle
3 the Findings and see them. [REDACTED]
4 [REDACTED] reports. The General Counsel can see the Findings.
5 I don't know who else would look at them in the services
6 or in JCS.

7 Q Is that a recent phenomenon or is that the way
8 it's been done throughout your tenure?

9 A I don't recall a different procedure, but
10 there may have been some gradual changes that wouldn't
11 come back to my mind.

12 Q In terms of the Iran arms sales, the TOW
13 missiles in 1986 and the HAWK repair parts in 1986, did
14 you ever see a Finding in those cases?

15 A No, not at that time.

16 Q With regard to the 1985 HAWK and TOW transfers
17 not directly from the United States but U.S.-provided
18 TOWs and HAWKs that were in Israeli stocks which we now
19 know were transferred to Iran and a Finding was done, as
20 we've had testimony on, and signed by the President on
21 December 5, did you ever see that Finding --December 5,
22 1985?

23 A Again, not at that time. I may have seen it
24 in the newspapers recently.

25 Q Let me ask you in a more open-ended way to

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1 just tell us what your knowledge was of the transfers and
2 when you acquired that knowledge, and let's just do it
3 chronologically and start with the '85 TOW shipments and
4 HAWK shipments, and if you want to lump those together
5 that's fine.

6 When were you made aware that those transfers
7 from Israel had gone forward to Iran?

8 A I don't recall having heard about those
9 transfers before I read about them either in the
10 newspapers or in the Tower report.

11 Q So that would have been post-November 25, the
12 date of the Attorney General's press conference?

13 A Yes.

14 Q And the TOW shipments in 1986, the direct
15 shipments of Army-provided TOWs to the CIA, when were you
16 first made aware that they were going forward?

17 A With the specific details again not until
18 after November last year. The generic idea of providing
19 certain equipment for Iran under the context of some
20 broader policy considerations I learned about in the
21 first part of last year.

22 Q Are you able to date it any more precisely
23 than that?

24 A It was when Moshe Koch was still here and is
25 was through him that I learned about it because he was

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1 then in charge of the terrorism/counterterrorism area in
2 the policy cluster.

3 Q So you learned that directly from Mr. Koch?

4 A Right. But I don't recall it having been
5 specific in terms of what kind of equipment, such as TOWs
6 or other things.

7 Q If I understand what you're saying, though,
8 rather than a prospective there is an opening to Iran and
9 we might at some future point supply arms, was it we are
10 in the process or have supplied arms to Iran?

11 A As I recall it -- and I'm not sure I recall it
12 that precisely -- it was that this was something under
13 consideration. And I also recall that Secretary
14 Weinberger was informed about it and he thought it was
15 not a good idea and I was told he made his views known on
16 that, and since I shared these views I felt that that
17 aspect was covered.

18 Q And in terms of Secretary Weinberger's views,
19 did you also learn those views and that he had made them
20 known from Mr. Koch or from someone else?

21 A I believe from Mr. Koch, but I also knew it
22 from general broader discussions with Secretary
23 Weinberger about our policy towards Iran. It was totally
24 consistent.

25 Q And if I understand your testimony you

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1 basically agreed with the Secretary on those points?

2 A As I just mentioned, I did not see the need
3 for a policy recommendation to the Secretary that would
4 add anything to the policy that he was already
5 advocating.

6 Q If he had come to you and said we are in the
7 process of considering the transfer of TOW missiles or
8 HAWK repair parts to Iran, I need some policy input to
9 help me shape my views, what would you have told him, if
10 he'd been asked by the President, for example, to provide
11 input.

12 A Well, that's a hypothetical question and it's
13 made a little bit more difficult by the phrase "we are in
14 the process". I mean, it's already happened, the
15 President has decided, or we are going to discuss it with
16 the President, or what?

17 Q Well, you answer it in whatever way makes you
18 most comfortable. I recognize it's hypothetical. I
19 could ask it differently. Basically I'm asking you what
20 are your views in terms of this initiative and the wisdom
21 of it.

22 A If he had said I'm going to a meeting at the
23 White House where this idea will be discussed and what is
24 your input, I would think, looking back at that time, I
25 would have counseled, would have advised him, to speak up

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1 against it.

2 Q And on what basis?

3 A Again it's a hypothetical question and
4 referring to a previous time period. I do recall a memo
5 I once wrote, which I think we made available to you,
6 earlier -- it was half a year or so earlier -- where I
7 stressed the importance that in anything we did designed
8 to work on our long-term strategic relationship with Iran
9 it be kept in mind that the Iranians might have an
10 interest in leaking whatever we did, and we had to
11 therefore conduct ourselves in such a way that that
12 wouldn't hurt us.

13 Now, depending on the hypotheticals that you
14 apply to your question, that might have applied here.

15 Q In terms of the wisdom of the policy
16 initiative itself, let me then just ask some specific
17 questions. Would you have counseled against it on the
18 basis that it was counter to our policy, our stated
19 policy, as you understood it at the time of not selling
20 arms, not trading arms with Iran?

21 A Again, just guessing in response to a
22 hypothetical question, I might have made the point that
23 it might appear to be contrary to our policy of not
24 dealing with countries -- giving arms or making arms
25 available to countries involved in terrorism, that it

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1 might appear that it was contrary to our policy on
2 hostages, and that it might leak, as I already mentioned,
3 become public.

4 Q Would you have said it would be counter to our
5 policy of encouraging our allies not to sell arms to
6 Iran?

7 A If I had thought of that point, I might have
8 added that. Maybe I would have given that less weight
9 since that policy was only partially successful anyhow.

10 Q Would you have counseled that it would have
11 been counter to our policy of expressed neutrality in the
12 Iran-Iraq war?

13 MR. SHAPIRO: John, may Counsel interject a
14 question just to see if we can clarify this? It is
15 obvious that Secretary Ikle finds the notion of questions
16 which so clearly call for hindsight to be discomfoting
17 in the sense that they call for a prediction of past
18 behavior. Do you mean to be asking whether he thought
19 these were valid considerations at the time, whether he
20 thinks he necessarily would have raised them, or whether
21 he now believes that they were then valid reasons to have
22 opposed the transfer?

23 MR. SAXON: I understand the difficulty of
24 hypothetical questions in general, and particularly
25 looking back on a particular initiative or policy. I am

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1 simply trying to find out from the Secretary, as the top
2 policy man at the Pentagon, what his views were at the
3 time. And that's why I asked the open-ended question
4 initially of if Secretary Weinberger had come to you and
5 said what are your thoughts about this proposal, either
6 before the fact or in the middle of doing it, or at
7 whatever stage where input can still be had, what would
8 those views have been.

9 And I got something of a general view. I'm
10 not trying to lead him and get him to say yes. If he
11 disagrees when I say would it have been counter to this,
12 then the answer is no. Fine.

13 MR. SHAPIRO: Well, I don't think I mean to be
14 saying that you are trying to lead him, only that there
15 may be a distinction. In fact, there is a distinction
16 between what he would have said and what his views were,
17 or there's a distinction between those two questions.
18 There may not be a distinction between the answer.

19 Can we clarify which question it is?

20 MR. SAXON: I'm not sure I understand the
21 point you just made. I assume someone can only state
22 what their views are.

23 MR. SHAPIRO: Okay, because those are not the
24 terms in which the question was put, and I thought the
25 clarification was worthwhile. Mr. Secretary, is that

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1 helpful?

2 THE WITNESS: Well, the difficulty is to
3 distinguish what we all know from hindsight from a
4 hypothetical prediction, a hypothetical kind of causal
5 explanation, whatever you call it, of what I would have
6 said if I had been pressed to offer advice at the
7 particular time, which itself is defined vaguely in your
8 question.

9 BY MR. SAXON: (Resuming)

10 Q I think plain and simply that's the question.

11 A I can speak clearly to what I wrote down at an
12 earlier period. I have mentioned that.

13 Q Do you have an opinion as to what your
14 response would have been if anyone at the time asked you
15 whether you thought this kind of initiative would have an
16 effect on the taking of future hostages? Would it be
17 counterproductive in that regard?

18 A It would have depended more on the details as
19 to whether this transfer could be seen as being directed
20 primarily or secondarily at hostages, hostage release.
21 It would have depended on that.

22 Q Suppose you had been shown the December 1985
23 Finding which Admiral Poindexter has said was straight
24 arms for hostages, and if you had been shown that before
25 it was signed and asked whether you think that would have

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1 had any impact on the taking of additional hostages, what
2 would your response have been?

3 A I don't have that Finding in front of me now.

4 MR. SHAPIRO: Mr. Saxon, I must say I think
5 that's awfully difficult to ask a hypothetical question
6 about a document that the testimony says has been
7 destroyed and no longer exists and which Secretary Ikle
8 has testified he hasn't seen.

9 MR. SAXON: Well, for that matter, none of us
10 have seen it, as much as we might like to. I just used
11 that as a concrete example. I can ask the question more
12 abstractly.

13 BY MR. SAXON: (Resuming)

14 Q And that is, if you were told, since you
15 indicated you would normally see Findings such as this,
16 if you were told the specific proposal is that we are
17 trading arms for hostages without consideration of
18 broader openings to Iran, would you have had a view, if
19 asked, as the Department's top policy advisor, with
20 regard to whether that might have led to future taking of
21 hostages?

22 A If that had come to me as a draft Finding and
23 I would have transmitted it to the Secretary, I would
24 have urged him to oppose it.

25 Q Okay. That's helpful. I'm not trying to pin

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1 you down and I'm not trying to get any statement on the
2 record that in any way is an embarrassment to the
3 Administration in terms of what was done. I'm simply
4 trying to find out. We know that that happened, if
5 Admiral Poindexter's testimony is accurate, and I've got
6 no reason to believe that it isn't, on this point.

7 If you had been shown a draft Finding that
8 dealt exclusively with arms for hostages and had been
9 asked whether you thought that would be counterproductive
10 in that it might lead to the taking of future hostages,
11 what might have been your answer?

12 A As I said before, I would have recommended to
13 the Secretary of Defense that he recommend to the
14 President not to sign such a Finding, the reason being
15 that it could stimulate -- that it was contrary to our
16 essentially proven policy on dealing with hostage
17 situations.

18 Q I don't know if that's a yes or no as to
19 whether you would have thought it might have led to the
20 future taking of hostages, that it would have been
21 counterproductive in that regard.

22 A Well, if elaboration were needed, I probably
23 would have pointed out that the U.S. policy on dealing
24 with hostage situations was set up this way in order not
25 to stimulate new hostage-taking, not to get into

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1 blackmail situations, yet leaving some room for
2 discussion, negotiation to free the hostages where
3 possible.

4 Q Let me go back to the specifics of this case.
5 You indicated that you learned from Mr. Koch early on,
6 without lots of details, that it was under consideration
7 or that we were in some stage of going forward. After
8 you learned that did you ever have occasion prior to
9 November, when these matters became public, to talk about
10 the Iran arms initiative with Secretary Weinberger?

11 A Not that I recall.

12 Q Did you ever have occasion to talk about the
13 Iran arms initiative again in the same time frame, once
14 you learned about it in a general way from Mr. Koch up
15 until November, when the matters became public, with lots
16 of details, with Secretary Taft?

17 A Not that I recall.

18 Q Mr. Armitage?

19 A I believe discussions with him were probably
20 about the same time that Noel Koch mentioned this, not
21 after that. But my memory could be wrong on that.

22 Q And I take it from that you would not have
23 discussed it with Mr. Armitage prior to learning it from
24 Noel Koch?

25 A I don't recall a discussion. I recall plenty

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1 of discussions with Mr. Armitage about our relations with
2 Iran.

3 MR. SHAPIRO: Counsel, I take it your last
4 question had reference to knowledge of the specific
5 action, the actuality of the specific action?

6 MR. SAXON: I'm sorry. Yes, not the broader
7 question.

8 BY MR. SAXON: (Resuming)

9 Q For the record, I know the answer but we
10 should make this clear for subsequent readers. You
11 indicated that international security affairs is under
12 you and Mr. Armitage was at these times and is now the
13 Assistant Secretary for International Security Affairs
14 and reported to you; is that correct?

15 A That is correct.

16 Q Did he ever have occasion to tell you in late
17 1985 that he had had any discussions with Lieutenant
18 Colonel Oliver North about Colonel North's meetings at
19 that time with the Iranians and the discussions that were
20 taking place?

21 A I recall no such observations.

22 Q Did Mr. Armitage ever tell you in late 1985
23 that he had any role in briefing Secretary Weinberger or
24 generating or presenting to the Secretary any briefing
25 papers on HAWK missiles or TOW missiles to give the

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1 Secretary prior to a meeting that Secretary Weinberger
2 attended at the White House on December 7, 1985?

3 A I don't recall.

4 Q The same question as to Mr. Koch.

5 A No, I don't recall.

6 Q I believe when we met with you in April you
7 indicated that at the time in early 1986 when the first
8 shipments went directly from the United States to Iran
9 that we had Presidentially-imposed restrictions on the
10 sale of arms to Iran; is that correct -- that they had
11 been in place?

12 A It sounds correct to me. We could look this
13 up. It's a matter of the record.

14 Q When Mr. Koch told you what was in the process
15 of being done or under consideration, whichever it was,
16 in terms of the arms shipments to Iran, what was your
17 reaction to that, if you recall?

18 A The reaction that I recall is what I already
19 indicated, that this might become known to various
20 groups, including the general public, and be misconstrued
21 or construed as being contrary to our hostage policy and,
22 therefore, harmful.

23 Q At any point did you ask Mr. Koch or anyone
24 else whether the Congress had been notified that this was
25 in the process of being done?

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1 A I don't recall asking him that, and when we
2 had the discussions it was more, as I said before, a plan
3 or proposal than an action.

4 Q Did Mr. Koch indicate to you that he had
5 played any role directly in negotiating with the Israelis
6 on the price for a TOW missile that they would pay?

7 A No.

8 Q Did Mr. Armitage ever indicate, either at the
9 time or later, that in early 1986 he might have had any
10 discussions with representatives of the Israeli
11 government about the arms initiative?

12 A No. By the arms initiative you mean --

13 Q The direct sale of arms to Iran, either direct
14 to Iran or indirectly through Israel.

15 Mr. Secretary, I promised you I would show you
16 a few documents, and you can tell me if you've ever seen
17 them. The first one that we will have marked as Ik1e
18 Exhibit 1, I'll give you a minute to read it, but let me
19 tell you what you are looking at.

20 (The document referred to was
21 marked Ik1e Exhibit Number
22 1 for identification.)

23 First, I apologize for the poor copy, but this
24 has been copied so many times, and then we sent it to the
25 White House, and after it came back unclassified it was

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1 even fainter. Up above, right underneath where it is
2 stamped unclassified, it's ever so faint, but it says
3 "Point Paper", and below that it says "HAWK Missiles for
4 Iran". So you will know what you are looking at, this is
5 a point paper that Dr. Henry Gaffney within DSAA prepared
6 on or about 19 November 85 at the request of either Colin
7 Powell or Noel Koch.

8 I'll give you a moment to finish looking at
9 it.

10 (Pause.)

11 A All right.

12 Q Let me ask you first, Mr. Secretary, do you
13 recall ever having seen this prior to today? I realize
14 you see lots of documents and lots of papers.

15 A I don't recall having seen it prior to today.
16 Whether it was in one of these newspaper reproductions or
17 in the Tower report, I didn't see it there.

18 Q It was not in the Tower report. It was an
19 exhibit when Dr. Gaffney testified in our joint hearings
20 on June 23, and it was talked about, and I'm sure it was
21 written in some ways about.

22 A I didn't read everything, so I don't recall
23 seeing it then. I read about it.

24 Q I'm not going to walk you through it and have
25 you comment on particular statements. I think it speaks

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1 for itself and I'm not sure -- you've talked generally
2 about the arms initiative and what your views might have
3 been or are. I'll just ask one final question.

4 Do you recall at the time this was done --
5 and, as I said, Dr. Gaffney puts it on or about 19
6 November 85 -- having any knowledge of it either from Dr.
7 Gaffney, General Powell, Mr. Koch or Mr. Armitage? Do
8 you think you had any contemporaneous knowledge that this
9 was being generated?

10 A I don't recall.

11 Q Again, we're not trying in this deposition to
12 trip you up or point out any inconsistency. Let me just
13 indicate what my notes suggest you said in April and see
14 if that helps in any way or if it doesn't. I asked you
15 about Dr. Gaffney's point paper in April and you said you
16 didn't recall it. And then I described it and your
17 answer, if I recorded it properly, was that you maybe
18 recalled it. You didn't think that the White House was
19 mentioned, but that General Powell was a name that might
20 have been mentioned in the context of this paper.

21 Does that help in any way as to whether you
22 would have had any knowledge of it?

23 A It doesn't.

24 Q Okay, fine. Let me have marked, then, the
25 next document as Deposition Exhibit 2.

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1 (The document referred to was
2 marked IKle Exhibit Number
3 2 for identification.)

4 (A discussion was held off the record.)

5 MR. SAXON: Back on the record.

6 BY MR. SAXON: (Resuming)

7 Q Let me give you a moment, Mr. Secretary, to
8 read this document. It might make more sense if I take a
9 minute and tell you what it is you are looking at.

10 It is a document that was prepared, according
11 to this one statement of Mr. Glenn Rudd, by him at the
12 request of Mr. Armitage and with the assistance and input
13 of Dr. Gaffney sometime in November or December -- late
14 November or early December -- 1985 and, as Mr. Rudd
15 understood it, Mr. Armitage asked for this in order to
16 provide it as part of briefing materials for Secretary
17 Weinberger in anticipation of the Secretary's going to a
18 December 7 meeting at the White House.

19 I'll give you a moment to look at it.

20 (Pause.)

21 Let me ask first if you recall having ever
22 seen this document before today.

23 A I do not recall.

24 Q Let me ask essentially the same question as
25 with Exhibit 1. Do you recall having any contemporaneous

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1 knowledge in late November or early December of 1985 that
2 this document had been requested, or something along
3 these lines, by Mr. Armitage, that it was being worked on
4 by Mr. Rudd or Dr. Gaffney -- anything along those lines?

5 A Unless I misread this memo, reading it quickly
6 it doesn't say where these things should be shipped to.

7 Q That is correct.

8 A It is, therefore, like many of the
9 hypothetical questions that are directed to DSAA, which I
10 don't see all of -- it would take up too much of my time
11 -- whether some type of equipment could be diverted from
12 being destined from one country to be used somewhere else
13 or other services or vice versa, and these hypothetical
14 assessments by DSAA are made quite often. So it would be
15 quite natural, as long as it's in that context, and I
16 wouldn't get involved in it.

17 Q You may wish to use a different word than
18 "diverted". That's become a term of art with pejorative
19 meanings these days.

20 A Allocated. Both Assistant Secretaries, ISA,
21 ISP, often ask DSAA for some factual assessment of this
22 kind.

23 Q As I said, I have no reason to believe you saw
24 these before and, for that matter, there's no suggestion
25 that if you did or didn't see them that's good, bad or

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1 indifferent.

2 Let me show you a third exhibit and ask that
3 this be marked as Ikle Deposition Exhibit 3.

4 (The document referred to was
5 marked Ikle Exhibit Number 3
6 for identification.)

7 Let me tell you what this is, and then I'll
8 give you a moment to read it. This is a document
9 likewise prepared by Mr. Rudd for Mr. Armitage at Mr.
10 Armitage's request in that same time frame of late
11 November/early December of '85, possibly for use to brief
12 Secretary Weinberger.

13 (Pause.)

14 A This is from Rudd?

15 Q Yes, sir. Do you have any knowledge of having
16 seen this paper before today?

17 A I do not.

18 Q And do you recall having been made aware in
19 that time frame of a reference in late '85 that either
20 Secretary Armitage had requested such a paper be prepared
21 or that Mr. Rudd was working on such a paper?

22 A No. I have not. But such a paper doesn't say
23 very much. This is standard recitation of the legal
24 requirements about notification. I sometimes ask for a
25 reminder of such a thing, or Rich Armitage might, or

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1 Perle. The only word there that may carry a little more
2 weight is "this project", which is not fully explained.

3 Q That's correct, sir. Did you have any
4 dealings with or conversations with General Colin Powell
5 in late 1985 or early '86 with regard to this project,
6 meaning arms sales to Iran?

7 A No, I don't recall.

8 Q I think I know the answer to this, and I asked
9 you about this in April, but for the record we probably
10 should have it down. Even though Mr. Koch, as principal
11 Deputy Assistant Secretary for International Security
12 Affairs normally worked under and reported to Secretary
13 Armitage, as I understand it, on terrorism matters he
14 reported directly to you; is that correct, sir?

15 A Yes. He based that on or we based that on a
16 memo, if I recall, that Deputy Secretary Thayer had
17 signed some time ago.

18 Q That would be Paul Thayer, Mr. Taft's
19 predecessor?

20 A Yes.

21 Q And, as I understand the policy, that would be
22 to have the Pentagon's principal terrorism official
23 reporting to you directly?

24 A I think we might want to look up the memo and
25 see what the context is. Right. It's some time ago now.

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1 Q Did Mr. Armitage ever have occasion prior to
2 these matters becoming public, which again for easy
3 reference we can put at November 25, 1986 and the
4 Attorney General's press conference, to make you aware of
5 what he had learned about Colonel North's activities on
6 the contra side of the Iran-contra affair?

7 A By Colonel North's activities on the contra
8 side, what do you refer to there?

9 Q Discussions that Mr. Armitage had with Colonel
10 North about Colonel North's involvement in fundraising
11 activities or private supply operation, some of the
12 matters to which Colonel North has testified recently?
13 I'm not suggesting that Mr. Armitage was witting of all
14 of those things, because he certainly wasn't, and it
15 would be unfair to characterize it that way.

16 But he has told us in his deposition that at
17 various times during or after RIG meetings, for example,
18 when Colonel North had gotten a lot of adverse publicity
19 in some of the Miami papers about his contra activities
20 Mr. Armitage asked him about it and they discussed it.
21 Likewise, Mr. Armitage was present when he and Mr. Abrams
22 and Colonel North discussed some of these activities.

23 Did he ever report any of that back to you?

24 MR. SHAPIRO: I'm going to interject here. I
25 wonder if we can't rephrase the question to make it a

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1 little bit clearer, if possible. I just think it may not
 2 be clear here from the context exactly what it is Colonel
 3 North may have said to Secretary Armitage, and I think
 4 that may cause some difficulty with the question.

5 MR. SAXON: I understand. That's fair.

6 BY MR. SAXON: (Resuming)

7 Q Let me see if I can go at this way. Was there
 8 ever an occasion on which Mr. Armitage said to you that
 9 he had come to know or suspected that Colonel North may
 10 be involved in some contra support activities that
 11 arguably would be in violation of the Boland Amendment?
 12 Let me put it that way as a starter.

13 A No.

14 Q Did he ever indicate to you that he had had
 15 discussions with Colonel North in which he asked him the
 16 nature of his, Colonel North's, involvement in supporting
 17 the contra?

18 A I don't recall, but it's possible he did.
 19 That wouldn't particularly leave an indelible memory
 20 because, like many people in government and outside, I
 21 was aware that Colonel North was trying to help the
 22 contras in some ways by looking at what we thought were
 23 and what I think were legally possible ways for raising
 24 monies.

25 Q Let me ask the question in a more open-ended

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1 way, then, following on that answer, What was the state
2 of your knowledge or understanding about Colonel North's
3 activities to aid the contras?

4 A No details. I think I read in the newspapers
5 -- I don't know whether it was before November or after
6 -- about private contributors and, of course, we had
7 repeated discussions about when it would become legal to
8 ask for third country help. So these were the main
9 dimensions.

10 Q Did you have any knowledge, prior to these
11 matters becoming public, that Colonel North was involved
12 in a direct way in aiding the resupply operation that was
13 being conducted privately?

14 A No, not in a direct -- I don't know what you
15 mean by aiding direct. That can range all the way from
16 encouraging private donations to flying the supplies down
17 yourself. So what is it you mean?

18 Q Colonel North has testified that he was
19 involved in a number of things, from helping procure
20 aircraft for the resupply operation, helping position
21 people who could aid in Central America in the resupply
22 operation, being a point man for problems that were
23 incurred by those involved with the resupply operation,
24 and being the operational point of intersection.

25 A I didn't have a good picture of the full range

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1 of activities to which he may have since testified. I
2 was aware that he would receive and exchange a lot of
3 information about the situation of the contras, and
4 probably had a certain relationship to private
5 fundraising. That was about it.

6 Q You mentioned a moment ago the point at which
7 it might have become legal to solicit third country
8 donations. Let me ask you in a general way what you knew
9 about the solicitation efforts of which we had more
10 recently become aware to third countries for aid to the
11 contras.

12 A I was in some White House meeting or meetings
13 where we talked about the change from the prohibition of
14 third country solicitation to its becoming authorized by
15 Congress. And, as I recall, the sense of the meeting was
16 that the Secretary of State or State Department people
17 should pursue that.

18 Q Prior to that period did you ever have
19 occasion to learn about any contributions either
20 solicited by the United States Government or voluntarily
21 made, solicited of [REDACTED] or voluntarily made by [REDACTED]
22 [REDACTED] to the contras?

23 A No.

24 Q Did you ever have occasion to discuss that
25 topic with Mr. Armitage?

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1 A Since I wasn't aware of it, I don't recall
2 discussing it with him.

3 Q And the same question, then, of Secretary
4 Weinberger?

5 A No.

6 Q Let me have marked as the next Exhibit this
7 document, and I'll take a moment to tell you what you're
8 looking at.

9 (The document referred to was
10 marked Ikle Exhibit Number 4
11 for identification.)

12 This is a memorandum for record done by Mr.
13 McMahon, the Deputy Director of the CIA, on 15 March
14 1985. As you can see, items one through six have been
15 removed, and I direct your attention to the last sentence
16 of item seven. I'll give you a moment to read that.

17 (Pause.)

18 A When was this?

19 Q This memorandum was done by Mr. McMahon on
20 March 15, 1985, and that followed one of the regular
21 breakfast sessions that the Director and he, as Deputy
22 Director, had with Secretary Weinberger and Secretary
23 Taft. And while I'm not asking you to in any way vouch
24 for the accuracy of what he puts in there, I show you
25 that and simply ask if you ever had occasion to hear

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1 Secretary Weinberger comment on whether he learned that
 2 [REDACTED] were going to be giving \$25 million to the
 3 contras.

4 A I don't recall.

5 Q Do you recall ever discussing the possibility
 6 or the prospective of [REDACTED] providing any aid to the
 7 contras prior to that period when the Congress authorized
 8 the solicitation of third countries?

9 A It's possible we talked about them as a
 10 potential source, along with other third country sources.

11 Q So, if I understand your testimony, you don't
 12 recall ever having learned --

13 A That there actually was a contribution at a
 14 particular time. I don't recall that, no. I have known
 15 of -- and this is classified still, I believe -- [REDACTED]
 16 [REDACTED] and so it may have become
 17 blurred in that context.

18 Q We won't inquire further into that. That's
 19 something our committees are aware of and have chosen not
 20 to go further into.

21 Let me ask you, along the lines of the
 22 questions I asked about Colonel North and his contra
 23 support activities, if you ever had knowledge prior to
 24 these hearings of any involvement Colonel Jim Steele may
 25 have had in [REDACTED] in aiding the contra resupply

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1 operation.

2 A Colonel Jim --

3 Q Steele.

4 A Steele? No, I did not.

5 Q The same question with regard to an individual
6 named Felix Rodriguez, who also went by the name Max
7 Gomez. Did you ever have any knowledge of his
8 involvement in aiding the resupply operation?

9 A No.

10 Q Any knowledge of any activities by other Mil
11 Group officials, Army officers -- a Colonel Clark or
12 Major Alvarez, any of those?

13 A No.

14 Q In the discussions you mentioned at the White
15 House in which various contra, legitimate contra support

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Q If I have already asked this, I apologize. I know I asked you about whether you had knowledge of a Presidential Finding which governed the 1985 shipments. Contemporaneously, when Mr. Koch made you aware of the arms to Iran initiative early last year, did you have knowledge that that was being done pursuant to a Presidential Finding?

A I think it was more that Koch made me aware of the arms to Iran idea and I don't recall consideration of a Finding in that discussion.

Q Did Mr. Sanchez -- for the record, Nestor Sanchez, who until he left the Pentagon late last year was the Deputy Assistant Secretary for International Security Affairs responsible for Central America, if I've got that correctly -- did Mr. Sanchez ever discuss with

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1 you any of Colonel North's activities in aiding the
2 contras?

3 A Nestor Sanchez talked about Colonel North's
4 role in their discussions in RIG meetings, his ideas and
5 initiatives that had come to both his, Nestor's, and my
6 attention. So he talked about these activities of
7 Colonel North that we both knew about.

8 Q Did Mr. Sanchez ever say anything to you that
9 would suggest Colonel North was involved in any contra
10 support activities in which he should not be involved?

11 A I don't recall that.

12 Q I had asked you in April about a committee
13 that you appointed, I believe in 1984, to study the
14 United States response to counterinsurgency in [REDACTED]
15 [REDACTED] that was headed by General Singlaub. What can
16 you tell us about that committee and any recommendations
17 it made?

18 A It met, as I recall, for a day or two and came
19 forward with a number of suggestions or recommendations,
20 some of which we had already in place, some of which we
21 found not helpful, and some of which we found very
22 helpful.

23 Q Do you remember any of the particulars with
24 regard to those recommendations?

25 A No, but I could easily refresh my memory. We

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1 have a memo on those.

2 Q Did General Singlaub ever tell you of any of
3 his activities that he undertook to raise money for the
4 contras?

5 A I don't recall. Maybe it was much earlier,
6 when he was involved in -- wasn't he involved in some
7 activity in the U.S. about public information about
8 [REDACTED] and so on?

9 Q Yes, sir.

10 A He had some organization which he led.

11 Q The World Anticommunist League?

12 A That I heard about, yes.

13 Q But, if I understand your answer, you were
14 never told by him that he was fundraising for the
15 contras?

16 A I don't recall his saying so, no.

17 Q Did he ever indicate to you -- I think this is
18 subsumed under the question just asked, but let me break
19 it out and make sure that it's covered -- did he ever
20 indicate to you he was raising money in direct
21 solicitation to third countries for the contras?

22 A I don't recall that.

23 Q Did he ever tell you he was involved as a
24 middle man or broker, if you will, in acquiring arms from
25 non-U.S. providers for the contras?

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1 A Again, I don't recall it. I haven't seen him
2 that much.

3 Q Let me ask you, before we leave totally the
4 Iran arms initiative, to look at one additional exhibit,
5 which I will have marked as, I believe, Exhibit 5.

6 (The document referred to was
7 marked Ikla Exhibit Number 5
8 for identification.)

9 Let me tell you what this is you are looking
10 at. You are looking at a handwritten note by Noel Koch
11 made sometime in the March or April time frame of 1986
12 and, for what it's worth, I have no reason to believe you
13 would have ever seen this, but I want you to take a
14 minute to look at it and I'll ask you a couple of
15 questions.

16 (Pause.)

17 A I'm not sure I can read it all.

18 Q For that matter, it was used as an exhibit
19 when Mr. Koch testified on June 23, and he couldn't read
20 all of it. I had to refresh his recollection from what
21 he had told us earlier in deposition as to what he
22 thought some of those words at the bottom said.

23 Item number one -- and these are his numbering
24 -- says "TOW discussed separately with Rudd and Gaffney
25 in December". You've already indicated that you had no

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1 contemporaneous knowledge of that.

2 Item number four says: "TOW paper locked in
3 RLA safe." He says that RLA is Richard L. Armitage.
4 "Wouldn't let Rudd keep copy."

5 Did you ever have reason to know prior to
6 today that Mr. Armitage had kept a copy of the Rudd TOW
7 paper?

8 A That one there?

9 Q Yes, sir.

10 A No. I would have mentioned that before.

11 Q Further down in this exhibit Mr. Koch says:
12 "Gast said best possibility of cover" -- and I can't make
13 out that next word -- "do it black". His testimony
14 indicated that either General Gast or Mr. Rudd indicated
15 to him that if we were going to transfer arms to Iran,
16 given the problems with direct sale through FMS and the
17 quantities of weapons being talked about at the time and
18 the subsequent dollar amounts, that the \$14 million
19 threshold would be exceeded for purposes of Congressional
20 notification and if this were going to be kept secret,
21 which is his word, then the conclusion was the best way
22 to do it was to do it black, which he explained to be
23 transfer them to the CIA and make it an intelligence
24 activity and do it covert.

25 Were you party to any discussions with any

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1 individuals here at the Pentagon in the late '85 or early
2 '86 time frame about the wisdom of transferring any arms
3 to Iran prospectively in terms of white world security
4 assistance sales versus a covert sale?

5 A I recall a suggestion contained in a draft, I
6 think, National Security Decision document in the NSC,
7 and I think if I can place that in time that was in the
8 summer of '85.

9 Q That's correct, if you're referring to the
10 draft NSDD that Mr. McFarlane sent Secretary Weinberger
11 and Secretary Shultz and a response was drafted by Mr.
12 Armitage, went through you to Secretary Weinberger.

13 A Right.

14 Q That would be your only knowledge prior to Mr.
15 Koch telling you what was going on?

16 A Yes, as I recall it.

17 Q Let me ask you a question or two about General
18 Secord, not so much the period when he was employed here
19 at the Pentagon but subsequent to that. It's our
20 understanding that he was on the SOPAG, the Special
21 Operations Policy Advisory Group, that Mr. Koch headed,
22 and then I believe Mr. Armitage took over when Mr. Koch
23 left.

24 Do you have any knowledge of the reasons why
25 General Secord was taken off the SOPAG?

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1 A No.

2 Q Let me show you a document -- and again this
3 may not refresh your recollection or change your answer
4 in any way. I'll have this marked as Exhibit 6.

5 (The document referred to was
6 marked Ikle Exhibit Number 6
7 for identification.)

8 Let me tell you what you are looking at.
9 These are answers provided by Secretary Weinberger to the
10 House Intelligence Committee last December, 18 December
11 86, after these matters became public and a number of
12 questions were propounded to the Secretary. If you will
13 look at Question 4 and Question 5, I'll give you a chance
14 to read that.

15 (Pause.)

16 A All right.

17 Q Secretary Weinberger's response to Chairman
18 Hamilton under Item 5 indicates that General Secord's
19 membership on the SOPAG was terminated on 4 August 86
20 based upon his failure to provide the Department with
21 financial information, which we understand to be a
22 financial disclosure statement. I simply ask you if
23 prior to seeing this document and prior to my asking you
24 about this in April if that was ever brought to your
25 attention?

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1 A No, I did not get involved in the SOPAG
2 membership.

3 Q Were you ever aware of any discussions in late
4 1985 about United States replenishing Israeli stocks of
5 TOWs or HAWKs for any TOWs and HAWKs which had been sent
6 to Iran or, prospectively, whether we would replenish if
7 they in fact did send TOWs and HAWKs to Iran?

8 A I think this is the same or similar question I
9 answered in the negative before, and my answer would be
10 no.

11 Q More or less it was subsumed under the earlier
12 question, but specifically on the issue of replenishment
13 I want to make sure that we've covered it that way.

14 A Right.

15 Q I should ask for the record whether you were
16 aware of any diversion of funds from the arms sales to
17 Iran to the contras.

18 A I was not, prior to November and the Meese
19 statement.

20 Q And, for that matter, Mr. Secretary, were you
21 ever made aware of any diversion of funds from other
22 programs or diversion of materiel and equipment from
23 other programs to the contras, particularly during the
24 period in which the Boland Amendment cut off all U.S.
25 funding?

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1 A Well, not from that period

2

3

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5 Q Mr. Secretary, one of the things that's under
6 you, although admittedly a level or two down, is security
7 assistance. Let me ask you what your understanding is of
8 the restrictions on third party transfers. If we sell
9 through foreign military sales some equipment, whatever
10 it happened to be, to another country, what are the
11 restrictions, as you understand it, which govern the
12 transfer from that country to a subsequent transferee?

13 A As I recall it, that requires U.S. Government
14 approval.

15 Q And who has to provide that approval?

16 A Who in the U.S. Government?

17 Q Yes, sir, if you know.

18 A The law may say the President. I don't know
19 whether that's been delegated.

20 Q I'm not trying to play any games. I'm just
21 asking what your knowledge is.

22 A I'm getting an exam on the Security Assistance
23 Act.

24 Q I understand that there are people at a level
25 lower than you who administer that. My understanding is

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1 the law says the President, but by Executive Order he has
2 delegated that to the Secretary of State.

3 A That's what I expected, right.

4 MR. SHAPIRO: I know you've been through the
5 provisions of the Arms Export Control Act with other
6 witnesses and, of course, the statute is a matter of
7 public record. Is there any way -- I know you've got
8 your job to do, but is there any way we could elide those
9 questions in this session?

10 MR. SAXON: I think that's sufficient, with
11 one addition.

12 BY MR. SAXON: (Resuming)

13 Q Do you happen to know whether that approval
14 has to be provided before the fact?

15 A I'm not sure. It's a lengthy piece of
16 legislation and I haven't memorized every bit of it, but
17 I seem to recall the law provides that it be done before.

18 Q The final area of questions -- just a couple
19 more and I'll be through -- in terms of security
20 assistance and any linkage or quid pro quo arrangements,
21 let me simply ask if, to your knowledge, we have ever had
22 any quid pro quo arrangements with the provision of U.S.
23 security assistance along either of two lines -- either
24 in which the United States has made a condition of our
25 providing security assistance to a recipient country that

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1 they aid the contras during the period when we were not
2 permitted to do so directly by the Boland Amendment, or,
3 B, whether any country, any recipient country, has sought
4 to induce our aid, security assistance, by offering to
5 help the contras?

6 A During the time when it was prohibited by the
7 Boland Amendment?

8 Q Yes.

9 A For the U.S. Government to provide such
10 assistance. As amended, your question, the answer to
11 both of these is no.

12 Q And I certainly understand that the world of
13 security assistance is complicated and there are lots of
14 considerations and we certainly like to help our friends
15 and hope they help us, so I'm not suggesting with the
16 line of questions that these are totally divorced from
17 other factors.

18 I think, unless a quick look at my notes
19 triggers something else, I think that's all I have. Let
20 me see if my colleagues have anything.

21 MR. GENZMAN: Let me follow up with one
22 question. I'm not sure I understood an earlier answer,
23 sir. You spoke about an early memo that you had written
24 regarding the possibility of an initiative with Iran, and
25 I believe you mentioned or you indicated that the

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1 Iranians might be interested in linking --

2 THE WITNESS: Leaking.

3 MR. GENZMAN: That's my misunderstanding.

4 Thank you very much. I have nothing further.

5 MR. KREUZER: I don't have anything.

6 MR. SAXON: Mr. Secretary, that's all I've
7 got. Let me say while we are still on the record we
8 appreciate your cooperation. You have made yourself
9 available twice now. You've been very helpful and the
10 Committee is grateful.

11 MR. GENZMAN: Thank you very much, sir.

12 (Whereupon, at 5:28 p.m., the taking of the
13 instant deposition ceased.)

14 _____
15 Signature of the Witness
16 Subscribed and sworn to before me this _____ day of
17 _____, 1987.

18 _____
19 Notary Public

20 My Commission Expires: _____

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CERTIFICATE OF REPORTER

I, MICHAL ANN SCHAFER, the officer before whom the foregoing deposition was taken, to hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney, or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schaffer

Notary Public

in and for the District of Columbia

My Commission Expires: February 28, 1990

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No Date

Missiles for Iran

- Missiles are available right now, suitable for foreign sale. There are 100 missiles at Red River Arsenal intended for UAE and 20 for Korea. Seven of these are intended for tests, but the tests can be foregone.
- The missiles at Red River Arsenal cost \$300,000 apiece. They are not necessarily a firm price, and replacements could cost as little as \$250,000 apiece.
- Thus, the total bill for 100 missiles would be \$30-32.5 million. To this, applicable charges would have to be added (NAC cost, administration charge, packing and transport charges, plus storage).
- The missiles for Korea and UAE would have to be replaced, so DSAA will need the money to replace them.
- The modalities for sale to Iran present formidable difficulties:
 - Iran is not currently certified for sales, including indirectly as a third country, per Sec. 3 of the AEA.
 - Congress must be notified of all sales of \$14 million or more, whether it is a direct sale or indirect to a third country. The notice must be unclassified (except for some details), and the sale cannot take place until 30 days after the notice. The 30 days can be waived for direct sales, but the third country transfer has no such provision, and notice must still be given in any case.
 - Thus, even if the missiles were laundered through Israel, Congress would have to be notified.
- It is conceivable that the sale could be broken into 3 or 4 packages, in order to evade Congressional notice.
 - While there is no explicit injunction against splitting up such a sale (subject to check...), the spirit and the practice of the law is against that, and all Administrations have observed this scrupulously.
 - It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fawell and their minority counterparts, they might agree to splitting the sale into smaller packages.
- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

EXHIBIT

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Exhibit #1
7/21/87 maw

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...the situation is still favorable

- If Iraq ever found out, they would be greatly irritated. Their sources of supply are more readily accessible to Iran, however, so there would be no effect in that respect.
- Saudi Arabia and the other Gulf States would also be irritated and alarmed.
- If Israel were used as the laundering country, they would be greatly encouraged to continue selling to Iran, and to expand their sales.
- If the sale became known, all bars would be removed from sales by such countries as Spain, Portugal, Greece, UK, Italy, and FRG, countries who are only barely restrained from overt, large sales to Iran now.
- In short, the risk is that of prolonging and intensifying the Iran-Iraq war, while seriously compromising US influence over Israel and other countries to restrain sales to Iran.

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No Date

 LKIE
 Exhibit #2
 7/21/87 mox
 U 21524

Initially Declassified/Released on 23 Jan 1987
 under provisions of E.O. 12356
 by S. Regis, National Security Council

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PROSPECTS FOR IMMEDIATE SHIPMENT OF I-HAWK and I-TOW MISSILES

I-HAWK

- There are 164 missiles available at Red River Arsenal--75 intended for UAS and 84 for Korea. The missiles have not yet been lot acceptance tested, but there is a very low risk of failure. The missiles will be at Red River until about April 1986 for testing.
- There would be no impact on the UAS if we ship their 75 missiles. The program has slipped in other ways, and can be accommodated within the normal production lead time for replacement missiles.
- Korea would have to be consulted to ascertain the impact on their program, if it is necessary to ship any missiles in addition to the 75 mentioned above. Procurement lead time to replace Korea's missiles would be about 33 months.
- To the best of our knowledge, all of U.S. Army I-HAWKs are with units and should not be considered from diversion.
- Unit replacement price of HAWK missiles is about \$437.7K; total package price for 50 would approximate \$22.3M; for 100 about \$45M. Package prices include FMS surcharges.

I-TOW

- Army has about [REDACTED] TOWs (including 40,000 I-TOW) on hand, against a distribution requirement of about [REDACTED]. About 12,900 I-TOW missiles are available in COMUS depot stocks.
- Based on the numbers, the impact on Army of shipping 3,300 I-TOWs immediately would be serious but not intolerable. No missiles would have to be taken from troops. Based on the seriousness of the requirement, and keeping in mind that the Army would receive TOW-II replacement missiles, it is likely that the Army would reluctantly acquiesce to immediate shipment of the entire quantity.
- Unit price of the replacement TOW-II missile is about \$12,200; total package price would approximate \$42M, with FMS surcharges.
- Delivery from production of TOW-II pay back missiles to the Army would occur about the beginning of CY 1988. If necessary--though this is not recommended--approximately 2,000 unallocated TOW-II missiles could be delivered from SPAF to Army in second quarter CY 1987.

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 EXHIBIT
 100-9

No Date

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POSSIBILITY FOR LEAKS

U 21525

There is no good way to keep this project from ultimately being made public. Following are three legal methods together with a brief discussion on the possibility of compromise.

- The President can make a determination, Section 614 of the Foreign Assistance Act, which would waive the statute which requires the normal Congressional notification under Section 36(b) of the Arms Export Control Act (AECA).

- President must notify the Speaker of the House and the Chairman of the Foreign Relations Committee, provide a written justification, and consult with both the Chairman of the Foreign Relations Committee and the Chairman of the Foreign Affairs Committee. This could be done in a classified, close-hold manner and is the best prospect for eliminating leaks from Congressional sources. However, the problem would come with actually executing a Letter of Offer (LOA) for the material without disclosing to the entire Security Assistance Community that the President had waived the need for Section 36(b) notification (Headquarters Army, USASAC, and MICOM, all are aware of the legal requirement not to process the LOAs without the 36(b) notification process).

- The OSD General Counsel should be asked personally to confirm that Section 614 is legal under these circumstances, since this authority never has been exercised in this way.

- The President could sign an emergency notification under Section 36(b), waiving the formal 30-day notification period. This requires a certification that an emergency exists, and the reasons therefor. While this notification would be classified the distribution of the Section 36(b) notice is much broader than would be true for the Section 614 determination mentioned above. Additionally, the Security Assistance Community would have to be informed that the President had made the emergency determination and waived Section 36(b) before the LOA could be prepared and issued. There would be no good explanation as to why an emergency would exist for this country's purchasing the missile.

- The last option, if time permits, would be to treat the sale as a routine unclassified action under Section 36(b). This would require the full 30-day notification period (including the 20-day informal notice) for Congressional review. Both systems are in the inventory of the country involved, and it is possible that the notification would flow through without question. This almost certainly would be true for I-HAWKs in the quantity contemplated; the I-TOW quantities might or might not cause speculation.

Declassified/Released on 23 June 1987
under provisions of E.O. 12356
By B. Roger, National Security Council

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(1272)

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Exhibit #3
7/21/87 mms

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U 21526

- A further potential problem is associated with legalities of the third country transfer provisions of the Arms Export Control Act. One provision indicates that we will not authorize a third country transfer to a country we do not sell to ourselves. Another requires the third country to sign further retransfer assurances. Under the circumstances, though, these provisions probably can be overcome or deferred.

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Partially Declassified/Released on 10 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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AS- 1088

C 2710

15 March 1985

MEMORANDUM FOR: THE RECORD

SUBJECT: Break fast with Secretary and Deputy
Secretary of Defense, 15 March 1985

Partially Declassified / Released on 1/23/88
Under provisions of E.O. 12255
by B. J. 2000, National Security Council

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C 2711

7. Question of the support to the Contras came up. The Director noted that we should have another meeting on it but following last week's meeting of the LSG we tended to be leaning towards non-lethal aid. I described the assignment given to Motley to develop different options which could be packaged and then played against Senators Lugar and Durenberger to see what combination of options in a single package might be acceptable to Congress. But I noted at the meeting that there was no agreement that we would be limited to non-lethal aid. The Director said that McFarlane was to meet with Lugar and Durenberger today. In closing the Secretary stated that he had heard that [REDACTED] had earmarked \$25 million for the Contras in \$5 million increments.



John N. McMahon

cc ODI
 ODO
 EA/DOCI
 EA/DCI
 Exec. Sec.
 Exec. Registry

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D 21546

No Date DX 2

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
INTERNATIONAL SECURITY AFFAIRS
AFRICA REGION

MEMO FOR

TO: *Discussed again by
w/ Rude: Gellman - Dec.*File
Exhibit #5
7/6/87 mac

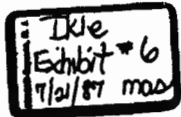
5381

y/ This paper looked in 2nd ed.,
unavailable. Rude has copy.Original was 2000. Definitely this
much in stock.Do say to keep. Time for secret.
Don't said to be possibility of can
not do the books.Tilman finally would attack with
even if we tried to waive her. 3675
(action to Wied)c 12 purchase (Thompson 17) and
x len. *Rude* *Wied* *4-11-87*

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EXHIBIT

105-1



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18 Dec 86

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SUBJECT: Questions and Answers for the Record from Secretary of Defense Testimony Before the House Permanent Select Committee on Intelligence, 18 December 1986 (U)

1. The Committee requests a copy of the Army Inspector General/General Counsel report on their investigation of the pricing of TOW missiles transferred to the CIA.

A: (U) Upon completion of the report, a copy will be provided to the Committee.

2. The Committee requests a copy of the Secretary of Defense memorandum and marginal notes on the Draft NSDD of June 1985

A: (U) These are provided at TAB A.

3. Was the basic TOW sold to any other country in the last two or three years?

A: (C) Yes. From FY 1983 to FY 1986, basic TOW was sold to the following countries (quantities in parentheses):

[redacted] Kenya [redacted] Korea [redacted] Morocco [redacted] Somalia [redacted] and Thailand [redacted]

4. Did General Secord have any kind of Consultant contract, or other relationship or post, with the Department of Defense after his retirement?

A: (U) Yes. Following his retirement on 1 May 1983, MG Secord was approved as a consultant appointee for the Office of the Assistant Secretary of Defense (International Security Affairs) specifically for the Near Eastern and South Asian Affairs Region. Effective 11 July 1983, MG Secord was authorized 120 days at a rate of \$243.00 per day, but he did not serve any days in a pay status. On 11 July 1984, MG Secord was again approved as a consultant appointee and authorized 90 days at a rate of \$242.00 per day, but he did not serve any days in a pay status. MG

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HANDLE VIA COMINT CHANNEL

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Secord's appointment was terminated on 10 July 1985. On 5 August 1985 MG Secord was appointed as a consultant without compensation for up to ten days. This appointment was terminated on 4 August 1986, and the Department has no record of his having been on a duty status on this appointment, with the following exception. On 5 August 1985, MG Secord was appointed as a consultant, without compensation, to the Special Operations Policy Advisory Group (SOPAG). His term on the SOPAG expired effective 4 August 1986. During this one-year term, MG Secord participated in one meeting of the SOPAG, on 15 November 1985. He has not participated since, and this is the last consulting activity in which he participated, according to Department records. Pertinent documentation is enclosed at TAB B.

5. Was General Secord dropped from one of our committees for failing to execute a financial statement?

A: (U) MG Secord served on the Special Operations Policy Advisory Group (SOPAG) from January 1984 to August 1986, although he last participated in November 1985. MG Secord's membership on the SOPAG was terminated, effective 4 August 1986, based upon his failure to provide the Department with financial information (as required in form SF 1555).

Amplifying information is enclosed at TAB C.

6. Have any FMS or other arms sales by the Department been made to any "agents or middlemen" as opposed directly to a recipient country?

A: (U) No FMS or other arms sales to foreign countries have been made by the Department through a private agent

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RICHARD V. SECOND CONSULTANT HISTORY OSD - POLICY

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D 101

Date of Appointment	Office	Days Approved	Salary per Day
Initial Appt - 07-11-83	ISA/IO/NESA	130	\$242.00
Renewal eff - 07-11-84	ISA/IO/NESA	90	\$242.00
Termination eff - 07-10-85	ISA/IO/NESA		
Appt to SOPAG* eff - 8-5-85	ISA/SP	10	WOC
Appointment expired 8-4-86 - Request to renew app fwded to Personnel 9-11-86			
Termination 52 fwded to Personnel 10-23-86 w/requested eff date of 8-5- 86, based on Secords refusal to provide SP 1555			

*Special Operations Policy Advisory Group

Sec 101/100
CONSULTANT
(SOPAG)

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UNCLASSIFIED**ORIGINAL****OFFICIAL TRANSCRIPT OF PROCEEDINGS****BEFORE THE****HOUSE SELECT COMMITTEE****AND**COPY NO. 1 OF 2 COPIES**SENATE SELECT COMMITTEE**

CASE No. _____

In the Matter of:

COVERT ARMS TRANSACTIONS WITH IRAN**-AND-****SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION.**

(Deposition of the Honorable D. LOWELL JENSEN)

4247

Place San Francisco, Ca.Date 7-6-87Partially Declassified/Released on 1-15-88
under provisions of E.O. 12356
by N. Menan, National Security Council**UNCLASSIFIED**Page 1 thru 74**D & D REPORTING SERVICE***Official Reporters*COPY NO. 2A OF 2

(Notary Public: California)

10575 HOLLY STREET, RANCHO CUCAMONGA, CALIF. 91701-5311

UNCLASSIFIEDUNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO, CALIFORNIA 94102CHAMBERS OF
D. LOWELL JENSEN
UNITED STATES DISTRICT JUDGE

July 27, 1987

Corrections

Page 9	Line 8	Eliminate 'exact title'
Page 28	Line 19	"I could give" should be "I could <u>not</u> give"
Page 45	Line 20	"I agree" should be "I <u>agreed</u> "
Page 48	Line 25	"think it" should be "think <u>I</u> "
Page 59	Line 6	"a proper" should be "improper"
Page 66	Line 6	"recall not" should be "recall <u>no</u> "
Page 70	Line 10	"perhaps return" should be "perhaps <u>returning</u> "


 D. Lowell Jensen
 United States District Judge

 Partially Declassified/Released on 1-15-88
 under provisions of E.O. 12356
 by N. Menan, National Security Council
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BEFORE THE
HOUSE SELECT COMMITTEE
TO
INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN
AND
SENATE SELECT COMMITTEE
ON
SECRET MILITARY ASSISTANCE
TO
IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION UPON ORAL EXAMINATION OF
HONORABLE D. LOWELL JENSEN

BE IT REMEMBERED that, pursuant agreement,
and on Monday, the 6th day of July 1987, commencing at the
hour of 9:30 a.m. thereof, in Courtroom 3, United States
Court House and Federal Building, 450 Golden Gate Avenue,
San Francisco, California, before me, JAMES W. HIGGINS,
Notary Public in and for the City and County of San
Francisco, State of California, personally appeared

HONORABLE D. LOWELL JENSEN
called as a witness by the Select Committees who, being by
me first duly sworn, was thereupon examined and
interrogated as hereinafter set forth.

Partially Declassified/Released on 1-15-88
under provisions of E.O. 12356
by N. Merian, National Security Council

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1 UNITED STATES SENATE SELECT COMMITTEE ON
2 SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN
3 OPPOSITION, represented by W. THOMAS MC GOUGH, JR.,
4 ESQUIRE, appeared as counsel on behalf of the Select
5 Committee.

6 HOUSE OF REPRESENTATIVES SELECT COMMITTEE TO
7 INVESTIGATE COVERT ARMS TRANSACTIONS WITH IRAN, represented
8 by ROBERT W. GENZMAN, ESQUIRE, appeared as counsel of
9 behalf of the Select Committee.

10 UNITED STATES DEPARTMENT OF JUSTICE,
11 represented by THOMAS S. BURT, ESQUIRE, appeared as counsel
12 on behalf of the deponent and the Department of Justice.

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3

CONTENTSWITNESS:PAGE

HONORABLE D. LOWELL JENSEN

Examination by Committee Representatives 5

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No. 1 18

No. 2 22

No. 3 50

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4

DEPOSITION

9:30 a.m.

1
2
3 Whereupon,

4 HONORABLE D. LOWELL JENSEN

5 was called as a witness by the Committees, being duly sworn
6 by the Notary Public to tell the truth, the whole truth,
7 and nothing but the truth, testified as follows:

8 MR. MC GOUGH: Good morning, Judge Jensen. I
9 am associate counsel with the Senate Select Committee on
10 Iran. Seated to my left, is Bob Genzman who is--

11 MR. GENZMAN: Associate minority counsel for
12 one House Committee.

13 MR. MC GOUGH: If Mr. Boyd would introduce
14 himself and indicate who he represents here this morning.

15 MR. BOYD: My name is Thomas M. Boyd. I am
16 deputy assistant attorney general for the Department of
17 Justice. I am representing Judge Jensen in his capacity as
18 a former employee of the Department during the time in
19 which is relevant to the inquiry of the Congressional
20 Committee.

21 MR. MC GOUGH: Thank you, Mr. Boyd.

22 Judge Jensen, obviously, is there is any
23 question that I ask that you don't understand, just stop me
24 and ask me to clarify. I will be happy to do it.

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EXAMINATION

1
2 BY MR. MC GOUGH:

3 Q Let us start by getting a little bit of
4 background. Could you tell me when you joined the United
5 States Department of Justice?

6 A Came to the Department of Justice in April
7 1981 as Assistant Attorney General in charge of the
8 Criminal Division.

9 Q Let me back up a moment. What were you doing
10 immediately prior to joining the Department of Justice?

11 A Immediately before that I was the District
12 Attorney of Alameda County, California. I had been the
13 district attorney there for sometime.

14 Q And you were Assistant Attorney General for
15 the Criminal Division from approximately April 1981 until
16 approximately May 1983?

17 A That is correct. Then, I became Associate
18 Attorney General.

19 Q Let us stop for a moment. Can you tell me
20 about your responsibilities, over what portions of the
21 Department of Justice you had supervisory authority when
22 you were Assistant Attorney General?

23 A The Criminal Division is one of the
24 litigating divisions. I had direct supervision and
25 responsibility for that. The Criminal Division has a

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1 variety of relationships to, basically, U. S. Attorneys
2 that are supervisory. So that I the responsibility with
3 criminal matters before the Department with U. S.
4 Attorneys. There is no direct supervision within the other
5 components of the Department of Justice.

6 Q To whom did you report as Assistant Attorney
7 General?

8 A I reported to the Associate Attorney General,
9 the Deputy, and the Attorney General. The chain basically,
10 in terms of criminal, would be from the Attorney General to
11 the Deputy, to the Associate, to the Criminal Division, to
12 the U. S. Attorney. So I then, reported to the Rudy
13 Guillian.

14 Q I believe you said that you said you became
15 Associate Attorney General in May 1983?

16 A That is correct.

17 Q Tell me what your responsibility was in that
18 position at that point?

19 A The Department had been constructed in such a
20 way that criminal components of the Department reported
21 through the Associate to the Deputy and to the Attorney
22 General. So, my responsibilities at that point would be
23 broader and would include U. S. Attorneys and their
24 criminal activities, as well as relationships to the
25 criminal investigative components of the Department.

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1 Q Would your responsibilities, in one form or
2 another, all be related to criminal work?

3 A Yes, they would be. The basic functional
4 distinction was between civil and criminal, although there
5 is somewhat of an overlap. But the basic functional
6 distinction and the responsibilities with the Associate
7 would be referenced to the criminal activities of the
8 Department.

9 Q And, during your tenure as Associate Attorney
10 General, did you report to the Deputy Attorney General?

11 A Yes, I did.

12 Q I believe you were Associate Attorney General
13 to approximately April 1985; is that correct?

14 A That is correct. Although it would be a
15 little bit before that. That is correct, but I was also
16 Acting Deputy Attorney General. When Ed Meese came to be
17 the Attorney General, at that point the previous Deputy
18 Attorney General had gone; and, so, I served in both
19 capacities.

20 Q Approximately what time was that?

21 A That would be from about February, March 1985
22 on.

23 Q What were your responsibilities as Deputy
24 Attorney General?

25 A As the Deputy -- which is the No. 2 position

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1 in the Department, as you know. The Deputy has supervision
2 and responsibility for all of the functional activities of
3 the Department. All of the components report through the
4 Deputy to the Attorney General. The Deputy serves as the
5 Attorney General in his absence.

6 Q I would assume that, as Deputy, you reported
7 directly to the Attorney General?

8 A That is correct.

9 Q In any of the positions, be it Assistant,
10 Associate of Deputy Attorney General, did you ever attend
11 National Security Council meetings?

12 A No; I never did.

13 Q What was your first contact with Colonel
14 Oliver North of the National Security Council, if you
15 remember?

16 A I believe that it would have been at the time
17 when I was in the Criminal Division, or about the time I
18 became Associate. I think that the first time I recall was
19 with reference to the formulation of some National Security
20 Directives that were being developed, and there was an
21 issue of review by the Department of Justice in terms of
22 its impact upon the Department.

23 Q Were those National Security Directives
24 related to either Central America or Iran?

25 A No, they were not. They were general, with

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1 reference to the responsibility of the Department, I
2 believe, in terms of the intelligence investigations.

3 Q Did you serve on any working groups, or
4 subgroups, or interagency groups with Colonel North?

5 A Yes, I did. There were a series of groups
6 that had to do with I think the terrorists incidents group
7 and a group that they reported to. I don't recall the
8 exact title exact titles of these groups. But, in that
9 chain, they were essentially related to operational
10 responsibilities of terrorist incidents, and I served on
11 those groups.

12 I also was on the advisory committee that
13 dealt with the issue of, for the Vice President, of coming
14 up with policy with reference to terrorism.

15 Q And Colonel North served on that, as well?

16 A In his capacity as member of NSC.

17 Q In the groups that you had in common,
18 approximately how often would you meet with Colonel North?

19 A These were not regular meetings, I think.
20 While we were doing the work on the Vice President's task
21 force, there were a series of meetings; and I would maybe a
22 monthly basis for awhile until it was completed. There
23 were more frequent meetings when we were dealing with
24 actual terrorist incidents. But, other than that, there
25 were virtually no contact.

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1 Q And setting aside for a moment an incident,
2 or an episode, where the Attorney General and Colonel North
3 and a document relating to Iranian Initiative, did you have
4 any contact, other contact, with Colonel North regarding
5 either Iran or Central America?

6 A No, I did not.

7 Q I like would like to discuss for a few
8 moments the standard procedure at the Department of Justice
9 for national security or intelligence findings and, [REDACTED]
10 [REDACTED] if I could. Let's start with
11 findings. What, if any, contact or consultation would the
12 Department of Justice have on intelligence findings?

13 A There would be contacts through the NSC
14 structure. The Attorney General was a member of the NSC.
15 So that would be our relationship to the final decision
16 making process on that. If there were issues where the
17 Department of Justice would look at at, it might be looked
18 at by the components that might be interested in it. It
19 may have been through -- I would have had an interest where
20 the criminal division may have been an investigative
21 responsibility. It may have been through the intelligence
22 policy portion of the Department.

23 Q The Attorney General sat as a member of the
24 National Security Council. Was there a formal mechanism
25 for review of findings by the Department of Justice?

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1 A I don't know if there was a formal. It would
2 depend upon, in effect, what the circumstances were.

3 Q Do you know if the Department of Justice
4 reviewed each intelligence finding that was issued?

5 A I don't know that that is so.

6 Q Was there an Associate or an Assistant
7 Attorney General for intelligence policy?

8 A Yes.

9 Q To whom did he or she report?

10 A Basically, the assistant in charge was Mary
11 Lawton during the time when I was there as Associate of
12 Deputy. And, basically, that kind of office reports
13 directly to the Attorney General. But, by definition,
14 since the Deputy is in that administrative responsibility,
15 they reported through the Deputy to the Attorney General.

16 Q And what generally were the responsibilities
17 of the Assistant Attorney General for Intelligence Policy?

18 A In the whole area of the responsibilities of
19 the Department that might be related to intelligence
20 activities of the Department's investigative or prosecutive
21 advice.

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

7 Q The intelligence policy review, I assume,
8 would take place at the level of Assistant Attorney General
9 for Intelligence Policy?

10 A Or one of the members of that particular
11 office. There were maybe two or three persons who
12 specialized in that area within that office.

13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]

19 When
20 did you first have any contact with intelligence findings?

21 A I can't make a specific reference to that. I
22 don't know of any specific instance. I would have to --
23 perhaps if there--

24 Q Let me qualify that question. I wasn't
25 looking for a date so much, as what position you occupied.

A I could have been at the Associate level.

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1 Q Can you give me an estimate of approximately
2 how many intelligence findings you might have had contact
3 with at that time?

4 A It could not be very many. No more than one
5 or two, I would think. I don't really have any
6 recollection of more than that.

7 Q I am going to ask you about some specific
8 subject matters of intelligence findings. And, my question
9 to each of them will be whether you ever reviewed any, or
10 were familiar with any findings relating to the subjects,
11 first being Iran.

12 Did you ever review, or were you familiar
13 with, any findings involved in Iran?

14 A Not specifically with reference to findings,
15 no.

16 Q We could qualify that with the one episode
17 that we referred to?

18 A That is correct. I made a reference to that.
19 I believe that that -- I saw a document with reference to
20 that subject matter, but I don't recall that that was a
21 finding.

22 Q Other than that document, do you recall any
23 intelligence finding or documents relating to Iran?

24 A No, I don't.

25 Q How about Central America, and contact with

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1 findings in that area?

2 A No.

3 Q Do you ever recall having any contact with,
4 or hearing about, a finding involving the Drug Enforcement
5 Administration?

6 A I recall the subject matter of DEA and
7 hostages, and the passage of information; but I don't
8 recall seeing or being involved with a specific finding
9 with reference to that.

10 Q We will talk a little more about the DEA-
11 hostage incident in a few minutes. But, in the context of
12 the discussion of the DEA, do you recall any discussion of
13 a finding or a need for a finding?

14 A No; I don't know that I do.

15 Q Do you ever recall seeing or being involved
16 with, or learning about, a finding that might have been
17 retroactive, that is, a finding that followed an
18 intelligence activity?

19 A No, I don't.

20 Q Do you ever recall discussions involving, or
21 have you ever been involved with a finding that was oral,
22 as opposed to written?

23 A No.

24 Q Do you ever recall discussing or being
25 involved with a finding that called for a delayed, or delay

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1 /in notice, to Congress?

2 A I don't recall such.

3 Q Let us talk about your contact with [REDACTED]
4 [REDACTED] if we could. I believe you said you first,
5 you might have first -- let me back up a moment.

6 In which of your positions would you first
7 have come in contact with [REDACTED]

8 A As Deputy Attorney General. I was aware at
9 the Associate level that there was such an activity, but I
10 did not have a direct responsibility with reference to
11 that. But, in those instances where the Attorney General
12 was not in Washington, I would be, Acting Attorney General
13 and the [REDACTED] would be submitted to me in that
14 capacity; and I would review and act as Attorney General on
15 those [REDACTED]

16 Q [REDACTED]
17 [REDACTED]
18 [REDACTED]

19 A Well, over the period of time when I was
20 Deputy, I must have handled maybe [REDACTED] of them.

21 Q During that period of time, did you have any
22 contact with, or ever learn about findings that related to

23 [REDACTED]?

24 A If it was [REDACTED]
25 [REDACTED] I may have had some--

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But outside of that, you don't recall any?

8

A

No.

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No.

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A

No, I don't.

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That may have been a part of these operational groups that I have talked about. But I did not have any direct involvement in that. But I know that there were discussions about that.

Q Were you ever contacted by anyone outside of the Department -- back up, strike that.

Were you ever contacted by anyone with the

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1 request to expedite a signature on a finding, or approval
2 of a finding?

3 A No; I don't recall any such.

4 Q Never contacted by Colonel North or by Mr.
5 Allen of the CIA?

6 A I don't recall such.

7 Q I would like to shift, if I could, to what
8 has become known as the Iranian Initiative. I believe,
9 when we spoke before, you indicated that you recalled a
10 meeting with the Attorney General and Colonel Oliver North
11 in which you reviewed a certain document in the Attorney
12 General's office?

13 A That is correct.

14 Q Up until that meeting, had you had any
15 contact with the Iranian initiative, and, by that, attempts
16 to improve relations with Iran, or strengthen moderates, or
17 free hostages by the sale of arms or other goods?

18 A No; I had not.

19 Q Do you recall how that meeting came about?

20 A No; I don't know how it was scheduled.
21 believe that I was asked, or the notice came down, to my
22 knowledge, from the Attorney General's office to come up
23 to such a meeting.

24 MR. MC GOUGH: We have been provided, via Mr.
25 Bolton's office, with what I am going to have marked as

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1 Deposition Exhibit 1.

2 (The document referred to was
3 marked Deposition Exhibit No.
4 1 for identification.)

5 BY MR. MC GOUGH:

6 Q Judge Jensen, do you recognize Exhibit 1?

7 (The document was proffered to the witness.)

8 A That is a part of the logbooks that were kept
9 by my office as to meetings that I attended.

10 Q This would have been your own calendar?

11 A That is correct.

12 Q For the date January 6, 1986?

13 A That is correct.

14 Q Who would have made the entry on this?

15 A My secretary would have done that.

16 Q Did she make the entries, was there a
17 practice of making entries in advance of meetings, or after
18 meetings, or both?

19 A In most instances, before; in some instances,
20 it would be after. I would think that, in the regular
21 course of business, it would be before; and, on occasion,
22 some of these meetings would be canceled, so there would be
23 a notation to me that the meeting did not take place. That
24 sort of thing.

25 Q If this particular meeting had been canceled,

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1 what would you expect to see?

2 A Some indication that it had not taken place.

3 Q Now this is Monday, January 6, 1986, at
4 3:35, I believe?

5 A Apparently so.

6 Q Or some time after, between 3:30 and 4:00
7 o'clock, and it list "AOG, AG and O. North." That would be
8 the Attorney General and Oliver North. And would AOG be
9 Office of Attorney General?

10 A Yes, it would be.

11 Q To the best of your recollection, was this a
12 meeting to which you were referring to earlier?

13 A This is -- when we talked about this before,
14 I did not know the specific date. I have only been -- When
15 we looked at the logs, as far as I could see, this would be
16 the meeting.

17 Q Do you ever recall any other occasions where
18 you have met with Colonel North and the Attorney General?

19 A No; I don't recall any other occasion.

20 Q Looking at your calendar, can you recall how
21 far in advance this meeting was scheduled?

22 A No, I can't.

23 Q Could you? Is there any way to derive that
24 from the calendar by the way the calendar was kept?

25 A No; the calendar would not indicate that.

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1 Q Can you tell us, can we -- we may or may not
2 be able to infer -- can we infer from this that this
3 meeting was prescheduled, that is, it one was where you
4 were asked to come up to the Attorney General's office, or
5 there was meeting scheduled with the Attorney General and
6 Oliver North?

7 A It was. I would think it was prescheduled.
8 The difficulty with that being that it could have been
9 prescheduled that day.

10 Q I guess what I am to distinguish is, you
11 being in the Attorney General's office when Oliver North
12 happened to stop by?

13 A I think that there was North scheduled in the
14 sense that my secretary made a note of the fact that I
15 should be there for that purpose; and at what time it
16 became operational, I don't know.

17 Q Can you tell me what occurred at that
18 meeting, as best you can recall?

19 A The meeting was because Mr. North provided a
20 typewritten paper, either a page or two pages, and that was
21 the first time that I had seen anything that described the
22 issue of passage of arms to Iran.

23 Q Do you recall what, if anything, Colonel
24 North said when he presented the paper?

25 A I don't believe he said anything; just

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1 presented the paper.

2 Q Let us talk about the paper for a moment.
3 What do you recall about it?

4 A I recall it was a typewritten document with
5 that subject matter.

6 Q Do you recall what kind of paper it was on?

7 A No, I don't.

8 Q Was it on White House stationery?

9 A It could have been; I don't know that it had
10 any designation as such.

11 Q It referred, I believe you said, to arm sales
12 to Iran?

13 A That is correct.

14 Q Did it refer to the involvement of any third
15 country?

16 A I believe it had a reference to the fact that
17 the passage of the arms would be accomplished through
18 Israeli participation.

19 Q Did it describe the arms at all?

20 A I believe it described it as missiles, but I
21 don't know that I could recall any further description, as
22 to what kind.

23 Q Do you recall whether they were TOW Missiles,
24 or HAWK Missiles or SIDEWINDER Missiles?

25 A I guess TOW, more likely in my recollection

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1 than any other description.

2 Q Do you recall whether it appeared to be a
3 final document or a draft?

4 A I don't know that I could say. But I think
5 probably my recollection would be in terms of a draft, but I
6 don't know that I could pinpoint that.

7 Q Do you recall whether there was a signature
8 line?

9 A No, I don't.

10 Q Or a place for a signature?

11 A I don't.

12 MR. MC GOUGH: I would like to have this marked
13 as Deposition Exhibit No. 2.

14 (The document referred to was
15 marked Deposition Exhibit No.
16 2 for identification.)

17 BY MR. MC GOUGH:

18 Q Judge Jensen, let me show you what has been
19 marked as Deposition Exhibit 2. This is an unclassified, or
20 a declassified, document which has already been introduced
21 during the hearings as Sporkin Exhibit 10.

22 What I would like you to do -- and let me just
23 say that the way I went about this was: having been informed
24 of the date of the meeting, I tried to pull the documents
25 that we had in our possession that were dated in or around

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1 January 6. What I would like you to do is to take a look at
2 Deposition Exhibit 2 and see if this -- let me back up -- or
3 a portion of this, or all of it, may be what you saw on
4 January 6.

5 (The document was proffered to the witness.)

6 A (After a pause.) I have looked at the
7 papers, counsel. I may have seen a portion of it.

8 Q Can you identify what portion?

9 A The first page, and I guess the best way to
10 describe it would be by this number; is that right?

11 Q Yes. Well, there is a classification cover
12 sheet.

13 A I recall seeing that. I don't recall that I
14 had any knowledge of the contents of the description there.
15 I don't believe that I saw this at all.

16 Q When you say "this," are you referring to
17 1249?

18 A That is correct.

19 Q Would you repeat again what you said about
20 1249, you may have seen it?

21 A No; I don't believe that I did.

22 Q All right.

23 A I think that I may have seen the remaining
24 pages, 1251, 1252, 1254; 1253 is blank?

25 Q That was a page that was Tab A and said 1253,

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1 then 1254.

2 A This is consistent with the materials that I
3 saw.

4 Q You say "consistent with"?

5 A In terms of the subject matter.

6 Q Is it consistent, as best you can recall, with
7 the format of what you saw?

8 A I believe so.

9 Q That is a cover memorandum, and this is really
10 the pages, 1251 through 1254?

11 A That is correct.

12 Q That is broken down, into two parts: a cover
13 memorandum, and a finding at the end. Does this refresh
14 your recollection, or look more familiar?

15 A It does look, and I don't know that I could
16 say that, with some further recollection, that this is the
17 specific document. But, as I say, it is certainly
18 consistent with what I described before, what I recall.

19 Q Do you recall a finding being attached, that
20 is, a proposed finding, like the one at 1254?

21 A It may very well have been.

22 Q Now you have taken a moment to read, and I
23 apologize for the quality of the copy. We had to work with
24 what we get. But, you have taken a moment to read it.
25 Substantively -- let us refer first to 1251 and 1252.

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1 Substantively, does that correspond with your recollection?

2 A Yes, it does.

3 Q Was there anything -- I don't want to take it
4 any more specifically than you can get; but, was there
5 anything in pages 1251 and 1252 that you did not believe you
6 received in the meeting with Mr. Meese and Colonel North
7 from the documents that you reviewed?

8 A Well, just briefly looking through it, I don't
9 know that I could say that.

10 Q Looking at page 1252, at the bottom, there is
11 a recommendation portion. Do you recall whether that was on
12 the document you saw, or not?

13 A No; I don't recall.

14 Q But, to the best of your recollection, what
15 you saw was something other than just a plain finding, like
16 page 1254?

17 A I believe so.

18 Q Now, having reviewed that document, can you
19 recall anything more about the discussions that took place
20 in that meeting, or how the document was presented?

21 A It was simply presented and I took it for
22 informational purposes.

23 Q Was there any discussion between, that you can
24 recall, between Colonel North and Attorney General about the
25 document?

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- 1 A No; there was no colloquy about the document.
- 2 Q Did the Attorney General pass the document to
3 you at some point in time?
- 4 A Yes, I read it.
- 5 Q Do you recall receiving any instructions, or
6 did you know why you were reading it?
- 7 A No; actually, I took it as being made aware of
8 the fact that this was a development. As I pointed out,
9 from time to time, I would serve as Attorney General. It
10 was part of our regular practice to know at least that
11 information, and I would give it to the Attorney General. He
12 would do the same thing so that we were basically aware of
13 what was in existence.
- 14 Q Do you know why you were asked to attend this
15 meeting?
- 16 A No; I have no specific reason for it. But, as
17 I say, it would be the normal course of business for me to
18 be at such a meeting so that I would be aware of
19 developments.
- 20 Q Did you and the Attorney General, either in
21 Colonel North's presence or after -- first of all, how long
22 did the meeting -- how long was Colonel North present?
- 23 A It was very short, no more than 15, 20
24 minutes, I believe.
- 25 Q Did the Attorney General give Colonel North

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1 any instructions, or say anything about the document that
2 you can recall?

3 A No, no instructions.

4 Q Did he approve the document?

5 A No; there was no activity taken with reference
6 to the document then.

7 Q Was the Attorney General asked for an opinion
8 about the document, or did he express an opinion about it?

9 A No; simply that it was presented.

10 Q Either while Colonel North was there, or after
11 he left, or, for that matter, at any other time, did you
12 discuss that document with the Attorney General?

13 A After he left, we simply discussed the fact
14 that it had taken place. But that was the last time I
15 discussed that topic with the Attorney General.

16 Q What did you discuss about the fact?

17 A Simply that it had taken place; as I say, it
18 was informational.

19 Q Did you find it surprising that the NSC, or
20 someone, was proposing arms sales to Iran?

21 A I think that I did, just in terms of the fact
22 that it was taking place.

23 Q Did you discuss that with the Attorney
24 General?

25 A I think we probably did. I don't recall

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1 specifically, but it was the first time I had heard about
2 that and it was obviously a new and different development.

3 BY MR. GENZMAN:

4 Q I will ask you to just describe what you mean
5 when you say it had taken place?

6 A The fact that there was such information that
7 had been brought to my attention.

8 BY MR. MC GOUGH:

9 Q Were you aware, from your conversation or
10 meeting with Colonel North, or afterwards, whether this
11 document was being presented in anticipation of that
12 activity?

13 A I don't know that I was aware; it appeared so.

14 Q Was there any discussion of prior transactions
15 with Iran?

16 A No, there was not.

17 Q In your discussions with the Attorney General,
18 did it appear that he was learning of it for the first time?

19 A I don't know that. I could give you an
20 opinion about what he was learning, or what his reaction, or
21 what his state of knowledge was. I simply don't know.

22 Q Did he indicate to you whether or not he had
23 had any prior discussions involving the Iranian initiative?

24 A No, he did not.

25 Q Did he indicate to you that a decision had, in

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1 fact, been made to sell arms to Iran?

2 A No; I don't think that it was. Not a specific
3 discussion with reference to that. It appeared as though
4 this was at a point where it either had or would be.

5 BY MR. GENZMAN:

6 Q Do you recall how long you spoke to the
7 Attorney General after Colonel North had left?

8 A A short period of time.

9 BY MR. MC GOUGH:

10 Q Five or ten minutes.

11 A No more than that, certainly.

12 Q Did you discuss with the Attorney General the
13 relative merits or demerits of selling arms to Iran?

14 A No.

15 Q Do you recall a discussion of American
16 hostages?

17 A I was looking at page 1252 and there is a
18 portion of a discussion there. And, frankly, I don't have
19 any recollection of that, and I don't know. This may
20 indicate, perhaps, I had not seen this document because I
21 don't have a recollection of discussing that.

22 Q Of discussing the hostages?

23 A Yes; that is correct, with relationship to
24 this.

25 Q Do you recall discussions of moderate elements

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1 in Iran?

2 A Yes, I think so.

3 Q And you recall discussions, or you recall
4 seeing in the document, something about Israel being
5 involved?

6 A Yes, I believe so.

7 Q Do you recall any reference in the document,
8 or discussion of, the statutory authority under which that
9 arms sale would take place?

10 A I believe there was a reference, but I don't
11 recall the specifics.

12 Q You say a reference, there is a reference in
13 1251 to the Arms Export Control Act.

14 A Yes; that may be -- I would say that is
15 consistent with my recollection.

16 Q Do you recall discussing any requirement of
17 Congressional notification?

18 A No; I don't recall any specific discussion to
19 that effect.

20 Q Do you recall any discussion of the relative
21 merits or demerits of conducting the transaction under the
22 Arms Export Control Act, as opposed to the Economy Act, or
23 the National Security Act?

24 A No; there was no discussion like that.

25 MR. GENZMAN: Allow me to get in another

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21

1 question while you are reviewing the document.

2 BY MR. GENZMAN:

3 Q You may have answered this, but I did not hear
4 it if you did. Do you recall whether there was any
5 discussion with the Attorney General about the subject
6 matter before Colonel North arrived?

7 A No, there was not?

8 A Do you recall whether Colonel North was
9 already present by the time you arrived at this meeting?

10 A I don't, but I don't think that he was. I
11 think, characteristically, most of the instances where there
12 were meetings, I would go up and be with the Attorney
13 General; then, whoever it was, would come to the meeting. I
14 believe that happened here.

15 BY MR. MC GOUGH:

16 Q Did you discuss, do you recall discussing the
17 respective roles, or the proposed roles for the CIA or
18 Department of Defense, or NSC, in the initiative?

19 A No discussion of that nature.

20 Q Did you take any notes at the meeting?

21 A No, I did not.

22 Q Do you know if the Attorney General took any
23 notes?

24 A I don't believe so.

25 Q Do you recall whether Colonel North left a

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1 copy of the document?

2 A I believe he did not.

3 Q You believe he took the copy with him, a copy
4 of the document with him?

5 A Yes, he did.

6 BY MR. GENZMAN:

7 Q Were any marks made on the document by any of
8 the participants in the meeting?

9 A No; I don't believe so.

10 BY MR. MC GOUGH:

11 Q Were there any discussions as to who should be
12 advised of the document, or shown the document, prior to its
13 submission to the President?

14 A No; I don't believe there were.

15 Q Were you asked to give any input on the
16 decision?

17 A No; there was no description of further
18 activity.

19 Q And you were not asked to do anything, or to
20 render an opinion on anything?

21 A That is correct.

22 BY MR. GENZMAN:

23 Q Were any other participants asked to do
24 anything more with regard to the document?

25 A No.

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1 BY MR. MC GOUGH:

2 Q And, to the best of your recollection, you
3 never discussed the Iranian initiative with the Attorney
4 General again?

5 A That is correct.

6 Q Until perhaps after?

7 A Until after the entire matter--

8 Q --became public?

9 A Became public, that's right.

10 Q Do you recall whether there was any discussion
11 of Admiral Poindexter attending the meeting that afternoon?

12 A No, there wasn't.

13 Q Was there any reference made to Admiral
14 Poindexter in the meeting that you can recall?

15 A No discussion of that.

16 Q Was there any discussion, or were you ever
17 made aware, of who had seen or drafted, or approved, the
18 document that you saw?

19 A No, other than the document itself.

20 Q Can you recall anything further about your
21 discussions with the Attorney General or Colonel North?

22 A I cannot.

23 Q On this topic?

24 A Not at this moment.

25 MR. MC GOUGH: I am going to turn to the

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1 subject of DEA. If you have any questions on this subject,
2 maybe we ought to clean them up now.

3 MR. GENZMAN: I have nothing further on that.

4 BY MR. MC GOUGH:

5 Q Let us shift gears for a moment, Judge Jensen,
6 and talk about the Drug Enforcement Administration
7 involvement with hostage location and rescue. First of all,
8 some general questions:

9 Can you state for the record how the Drug
10 Enforcement Administration fits into the Department of
11 Justice?

12 A Since a decision from Attorney General Smith
13 had the DEA report through Director Webster of the FBI, it
14 has had a relationship to the Department where DEA has
15 specifically defined roles with reference to their
16 investigative responsibilities. But they report through the
17 Director of the FBI to the Attorney General. In essence,
18 then, the FBI reports to the Deputy and the Attorney General
19 and does not go through -- it is the way the organizational
20 chart is set up -- directly through the Associate, for
21 example. But there is a relationship there in terms of
22 criminal responsibilities. But DEA reports through the FBI,
23 is what the answer is basically.

24 Q And the FBI reports through the Deputy to the
25 Attorney General?

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1 A That is correct.

2 Q And Mr. Jack Lawn was Director of the Drug
3 Enforcement Administration?

4 A During that time, there was a period of time
5 when Mr. Mullen was Director and had a relationship to it at
6 one time. But most of the time that I was in the position
7 of either Associate of Deputy, Jack Lawn was Director.

8 Q And Lawn is L-a-w-n?

9 A That is correct.

10 Q When did you first learn -- and again, put it
11 in context of the position you were in, if you can--

12 A I think it would have been in 1986 when I
13 would have been Deputy.

14 Q My question is: When did you first learn that
15 they had some role or function in the hostage location?

16 A I think it was around then, too.

17 Q So it would have been sometime in 1986?

18 A I believe so.

19 Q Do you recall from whom you learned that?

20 A I don't know specifically. It would come, the
21 flow of information would either come from DEA, or there
22 were occasions where information comes via the Attorney
23 General and he discussed it with me first. It may have been
24 that there was a discussion with the Criminal Division.
25 There is a relationship to responsibilities with reference

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1 to investigation of kidnappings and hostages. That is
2 related to the Criminal Division. So there were occasions
3 when I would discuss these decisions with members of the
4 Criminal Division who had responsibilities in that area. So
5 I can't tell you a specific person who was the first; it may
6 have been just brought to my attention. It would have been
7 in that chain of information.

8 Q And what did you learn about the DEA's role in
9 the hostage question?

10 A It was a question of whether DEA would
11 participate in some efforts to locate and retrieve hostages,
12 based upon their contacts with persons in those specific
13 geographic areas.

14 Q Did your awareness of this possibility come in
15 advance of the DEA's activities?

16 A I believe so.

17 Q Do you recall specifically what their role was
18 to be, as best you understood it?

19 A As I understood, DEA, of course, has an
20 overseas presence, had an overseas presence in this time.
21 And, as a result of their responsibilities to gain
22 information of that narcotics traffic, they would learn
23 other kinds of corollary information and, in these
24 instances, that there was information that might have come
25 through their sources that related to the hostages.

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1 Q Did you understand them to have any
2 operational function in the rescue or return of the
3 hostages?

4 A No, I did not. They did not have operational
5 responsibilities overseas. They were basically information
6 and they did not have, and I don't think it was contemplated
7 that they would have a change in their regular role.

8 Q When you say they did not have operational
9 responsibilities overseas, were they barred from conducting
10 foreign operations?

11 A They do not conduct foreign operations in
12 terms of direct investigative activities. It would have
13 worked through the authorities of the country where they
14 happened to be. So they would not on their own be engaged
15 in investigative, or any kind of direct action activities.

16 Q Would they conduct, with their own personnel,
17 undercover operations overseas?

18 A No; they would not conduct their own directed,
19 controlled, and administered undercover operations. That
20 would be deemed to be an operational activity I believe they
21 would not be involved in.

22 Q And they would do that in coordination with
23 the host country?

24 A That is correct.

25 Q Do you recall learning of an aspect of the

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1 DEA's involvement that included payments of one kind or
2 another to persons overseas?

3 A I believe that that was a part of the
4 description: that there would be payments to the people who
5 provided them information and who would be, in effect, the
6 contacts that they had.

7 Q But you understood that to be payments for
8 information, as opposed to bribes or ransom?

9 A I believe so.

10 Q Do you recall the magnitude of the payments
11 they were talking about?

12 A No, I don't; I don't, know specifically. But I
13 think it would be a significant amount.

14 Q What would you consider significant?

15 A I don't consider, if you are paying
16 informants, you could pay them in the range of hundreds of
17 dollars. I think it was much more than that.

18 Q Would it have been in the range of thousands
19 or hundreds of thousands?

20 A I would think -- I don't recall, but I think
21 more the latter.

22 Q The hundred thousands?

23 A That is correct.

24 Q Was there any discussion that you recall, or
25 do you recall any discussion of the source of any funding

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1 for that operation?

2 A There was -- you mean the source of the funds
3 themselves?

4 Q Yes.

5 A I don't recall any such discussions.

6 Q Was there any discussion of the use or
7 inclusion of privately raised money in this aspect, in this
8 operation?

9 A I don't believe so, with reference to this;
10 but I don't--

11 Q To your knowledge, does the DEA have any
12 prohibition, or is there any prohibition on DEA Agents that
13 would prevent them from handling private funds or
14 unappropriated funds?

15 A I don't know that I could give you a chapter
16 and verse with reference to this. But, by and large, the
17 activities would not include that kind of arrangement in
18 that DEA would be working with their own funds either
19 developed by appropriation or from activities themselves.

20 Q If there had been discussion of the use of
21 private funds, or the handling of private funds by the Drug
22 Enforcement Administration, would that have triggered some
23 kind of awareness on your part?

24 A I believe so.

25 Q Do you recall whether the Attorney General was

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1 aware of DEA's proposed--

2 A I believe that he was. I think this was a
3 part of, once again, general discussions about these issues.
4 As I said, it was a part of our practice to try to make sure
5 that any development the department would be known to the
6 Attorney General.

7 Q And I assume that it was your understanding
8 that Mr. Lawn was aware of the activities?

9 A Yes, I did.

10 Q How about Bud Mullen?

11 A I don't know that he was still there. It
12 would not be both of them in that Jack Lawn succeeded Bud
13 Mullen. But, at a point, he was his assistant, so that it
14 is possible that there was an overlap. But I don't think
15 so. I don't have a recollection of this Mullen being a part
16 of this.

17 Q Do you recall any references to agents by the
18 name of [REDACTED] or [REDACTED]?

19 A That could be. I don't have a recollection of
20 the specific agents, although I think there was a discussion
21 about who were DEA Agents involved.

22 Q Would you recall any discussion about the need
23 for a finding, an intelligence finding, in this area?

24 A I don't recall that there was. Whatever
25 needed to be done to make sure that the operations of the

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1 agents was consistent with their responsibilities would
2 have been a part of the discussions. But I don't know the
3 terms and specifics. I don't think it got to the point
4 where there was a description of an agreed upon operational
5 plan.

6 Q Do you recall if any outcome came about from
7 these efforts? And let me -- in the present context, that
8 is a dumb question.

9 Were you ever advised, during your tenure with
10 the Department of Justice, were you kept advised of the
11 evolution of this plan?

12 A There was no specific periodic reporting. It
13 was more on an event basis. As information that seemed to
14 be relevant to the needs of the Attorney General, or the
15 Deputy, would come about, that information would flow; but
16 there wasn't any follow up in terms of specific reporting
17 that went on with reference to this.

18 Q Do you recall any specific events that were
19 brought to your attention?

20 A I don't, at this time.

21 Q Do you recall any discussion of Colonel North
22 in this initiative?

23 A I am not sure, but I think there was some
24 relationship in terms of mutual interest and mutual
25 activity that may have been involved. But I don't --

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1 beyond that, I think, I think I do recall that there was a
2 recognition of the overlap.

3 Q Do you recall either in this context, or in
4 any related context, discussion of an alleged Saudi prince
5 by the a name of [REDACTED]?

6 And just by way of background, Mr. [REDACTED]
7 was a person who, our investigation has revealed, billed
8 himself as a member of the Saudi Royal Family to other
9 individuals, was involved with some of the people whose
10 names have come up in the course of the investigation. He
11 was ultimately, I think, as of January of this year,
12 convicted in the Eastern District of [REDACTED].

13 A I was aware of that, but I would not be able
14 to give you that name directly. But I believe that I was
15 aware of such a circumstance and that there was a
16 relationship to that kind of a described person.

17 Q When you say "relationship," do you mean in
18 the context of the DEA operation?

19 A More in the context of the hostages in terms
20 of whether there might be any activities that may have been
21 taking place with other persons, or other activities. And
22 I think that I was aware of -- I would have to know more
23 about the specifics; but I believe I have a recollection of
24 that kind of activity where there was an issue of bona
25 fides, or something, of the individual involved.

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1 Q Do you recall any involvement with Colonel
2 North with that activity?

3 A I don't know specifically, but I think
4 generally that he would have had some knowledge about that,
5 or been aware of it. It would clearly be the sort of thing
6 that would be an overlapping interest.

7 Q In the context of the Saudi prince, or the
8 alleged Saudi prince, do you recall the name Richard Miller
9 arising? Mr. Miller is the principal in a Washington
10 public relations firm called International Business
11 Communications.

12 A I don't, I am not aware of that name.

13 Q Do you recall whether you ever learned that
14 this Saudi prince was operating with private individuals in
15 this country to assist him?

16 A It may have been part of a description as to
17 the activity, but I don't know specifics with reference to
18 that.

19 MR. MC GOUGH: Bob, do you have any questions
20 on DEA?

21 BY MR. GENZMAN:

22 Q Let me ask a question regarding the Saudi
23 prince. I believe his name was determined to be [REDACTED]

24 [REDACTED] Does that ring a bell to you?

25 A That name does not do anymore for me.

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1 MR. GENZMAN: I have nothing else.

2 BY MR. MC GOUGH:

3 Q Let us turn to [REDACTED] Can you
4 recall your first contact with the [REDACTED]
5 case or circumstance?

6 A When it was being developed, about the time
7 the actual information about the case came in. I believe I
8 had heard about it before there was an arrest.

9 Q Do you recall a point in time when the
10 Department of Justice was asked to intervene on [REDACTED]
11 [REDACTED] behalf?

12 A I have a recollection of something with
13 reference to that after he had been convicted.

14 Q Do you recall what?

15 A More in terms of how it was being handled in
16 the context of his custody.

17 Q Do you recall with whom you discussed that?

18 A I believe it was with Steve Trott of the
19 Criminal Division.

20 Q What can you recall about the proposal?

21 A What was being proposed, and it would be in
22 the general notion that, something that would be other than
23 the ordinary handling of [REDACTED] would be contemplated.
24 There were activities like that from time to time where the
25 Department would take some kind of action with reference to

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1 the custody status, or the location of individuals who were
2 in the federal custody. I think that is what the subject
3 matter was: as to whether or not there would be some
4 specific step taken with reference to [REDACTED]

5 Q When you say "specific steps," what--

6 A Whether there may be, or how his custody
7 status may be handled.

8 Q Whether there was a request that he be shown
9 some leniency, or some consideration in that direction?

10 A I believe that is the way you would describe
11 it.

12 Q Do you recall why [REDACTED] was to
13 be, was supposedly entitled to extra consideration or
14 leniency?

15 A No, I don't.

16 Q Do you recall having an opinion as to the
17 appropriateness of showing leniency towards [REDACTED]

18 [REDACTED]?

19 A Whatever may have been the showing, I think
20 that I agree with the estimate that there was no reason to
21 do that.

22 Q Is it your recollection that the decision was
23 made not to take any extra steps on behalf of [REDACTED]?

24 A Yes, later on.

25 Q Do you know who contacted Mr. Trott, in the

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1 first place?

2 A I don't know.

3 Q Did you ever discuss the [REDACTED] incident
4 with Colonel North?

5 A No, I believe not.

6 Q Did you ever discuss it with Elliott Abrams?

7 A No.

8 Q Do you know Elliott Abrams?

9 A Yes; I know Elliott Abrams.

10 Q Did you ever discuss the [REDACTED] case with
11 the Attorney General?

12 A No specific recollection, but it probably
13 would have been discussed it with him, with the Attorney
14 General. But again, this would be a subject matter that
15 would be a part of general discussions, as the events took
16 place.

17 Q Do you ever recall discussing the [REDACTED]
18 case with anyone from the Department of Defense?

19 A No, I don't.

20 Q Do you recall discussing the case with Norman
21 Carlson of the Bureau of Prisons?

22 A I may have. It would have been his
23 responsibility, but I don't think so. Discussions with
24 Mr. Carlson would come about if there were decisions to
25 take some action that would be other than simply the normal

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1 handling of the Bureau of Prisons.

2 Q And it is your recollection that the decision
3 was not to take that step?

4 A I believe so.

5 MR. MC GOUGH: Bob, do you have any questions
6 about the [REDACTED] matter?

7 MR. GENZMAN: No.

8 BY MR. MC GOUGH:

9 Q Let us turn, if we could, to an investigation
10 conducted in the Southern District of Florida, which has
11 been known by a number of names. But the original, one of
12 the original persons involved was, a fellow by the name of
13 Garcia who became an informant for the Government and
14 offered information about an alleged assassination plot,
15 and possible Neutrality Act violations.

16 Are you familiar with the case?

17 A Yes.

18 Q Do you recall what your first contact with
19 that case was?

20 A No. In terms of when it was first reported,
21 the source, I believe it would have been from the criminal
22 division.

23 MR. MC GOUGH: Let the record reflect that,
24 prior to convening the deposition, we provided Judge Jensen
25 with a classified document that has been previously

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1 introduced as an exhibit to the deposition of Mr. Trott and
2 asked him to review that document with an eye toward
3 determining whether that might refresh his recollection as
4 to his contact with the case.

5 BY MR. MC GOUGH:

6 Q Having reviewed that document, do you recall,
7 does that refresh your recollection at all?

8 A Yes; I believe that that is a document that
9 was generated in the course of that particular case.

10 Q Do you remember that document? It is, I
11 think, addressed to you from Buck Revell at the FBI; is
12 that correct?

13 A I think so.

14 Q Do you know what the inception of the
15 document was?

16 A I think it was after there had been some
17 knowledge about the case. As you say, there are many
18 facets to the case; and there was a question, I believe,
19 that asked the Criminal Division to give us, in effect, a
20 more comprehensive statement of what was actually being
21 undergone. I think it came out of that request.

22 Q Do you recall who made that request?

23 A I believe that I made a request to have a
24 statement as to what was taking place, and that there were
25 a variety of activities. I think it asked the Criminal

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1 Division -- I spoke with Mr. Trott about that.

2 Q Do you recall contacting Mr. Revell?

3 A No; I don't think so. I don't know that I
4 contacted him directly. I think I spoke with the Criminal
5 Division people.

6 Q So, to the best of your recollection, you did
7 not contact the FBI directly?

8 A No.

9 Q Do you recall advising Mr. Trott that you
10 wanted to be kept apprised of--

11 A Yes, I believe so.

12 Q But you don't recollect whether Mr. Trott, or
13 someone in the Criminal Division, was the one who first
14 advised you of the case?

15 A No; I don't know who it was.

16 Q What is your first recollection of the nature
17 of the case?

18 A The general description of the investigation.

19 Q What stood out to you^y as being important at
20 that time?

21 A The relationships back to the Ambassador
22 Tambs investigation of arms activities. And I think that
23 was the general subject matter in terms of what kind of
24 activity was involved, or what were the potential
25 ramifications of that.

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1 Q Do you recall when, if ever, you first
2 learned of any allegation that the NSC or Colonel North
3 might be connected with that investigation in Miami?

4 A No. I think that now that I think back on it,
5 maybe there was some relationship to the air transport,
6 when that became public. But it would be after it became
7 public.

8 Q Was this the first, to your knowledge, was
9 this the first neutrality investigation being conducted
10 into alleged gun running to the Contras?

11 A I am not sure, I believe so. But to the best
12 of my recollection, that would be.

13 Q Were you aware -- now, let's go back to the
14 -- well, let us fix a date a little better.

15 MR. MC GOUGH: Let us have this marked as
16 Deposition Exhibit 3.

17 (The document referred to was
18 marked Deposition Exhibit No.
19 3 for identification.)

20 BY MR. MC GOUGH:

21 Q So we are not flying blind here, Judge
22 Jensen, let me show you what has been marked as Deposition
23 Exhibit 3. Do you recognize that?

24 (The document was proffered to the witness.)

25 A Yes. There was a discussion before about a

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1 time when I spoke to Admiral Poindexter, and I had
2 indicated that I would see whether or not that was a part
3 of log, a meeting log. And this appears to be the log for
4 that, March 24.

5 Q The memorandum we have been discussing is
6 March 20, 1986, and the meeting you had with Admiral
7 Poindexter was on March 24. So that would be the time
8 frame in which you were dealing with this case.

9 A That is correct.

10 Q In or about March 1986, were you aware of
11 allegation that Colonel North was involved in support for
12 the Contras, the Nicaraguan Resistance?

13 A No, I don't.

14 Q Specifically, do you recall seeing any news
15 reports of such alleged involvement?

16 A I don't know that I did. I saw reports, as I
17 say, at some point along the line; but I don't know that it
18 was reference to this.

19 Q I am not talking just in reference to this.
20 Just in general, what I am trying to explore is whether you
21 were aware in March 1986 that there were allegations that
22 Colonel North was involved in such a network?

23 A I don't have a recollection of when that
24 would have been. I don't believe so.

25 Q Now the document that we have shown you, the

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1 classified document we have shown you, to your knowledge,
2 is that the only written document, only document you have
3 seen relating to this case?

4 A I believe that is.

5 Q Do you ever recall seeing an memorandum
6 approximately 20 pages in length drafted by Mr. Jeffrey
7 Feldman in the Southern District of Florida?

8 A Yes. I did not see that document. I think
9 he showed me that before when we met. I indicated that I
10 had not seen the document.

11 Q How about an FBI prosecution memorandum?

12 A No; I did not see any such document.

13 Q What, if any, discussion did you have with
14 the Attorney General about this case?

15 A Well, there were discussions about it. Once
16 again, this would be a part of simply the regular business
17 of discussing events of interest to the Department, and we
18 talked about it. One of the reasons that the summary was
19 prepared was to get a more comprehensive description of
20 what was actually taking place.

21 Q There came a point in time when it was
22 decided to brief Admiral Poindexter at the NSC, is that
23 right?

24 A That's right.

25 Q Do you recall the meeting or conversation in

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1 which that decision was made?

2 A It would have been sometime after the
3 document had been prepared, I think, where it would have
4 been discussed with the Attorney General.

5 Q So it would have been between March 20, 1986
6 and March 24?

7 A 1986.

8 Q Do you recall-

9 A We may have discussed it before, but I think
10 it was in general context with the subject matter,
11 obviously, of the document.

12 Q Did the Attorney General ever indicate to you
13 that he had received an inquiry from the NSC about the
14 case?

15 A He may have. I don't have specific
16 recollection of that.

17 Q Would you have considered such an inquiry
18 unusual?

19 A No; I don't know that I would have.

20 Q Did you ever receive an inquiry from anyone
21 at the NSC?

22 A I don't believe I did. I believe that my
23 interest was from the Department's perspective.

24 Q Do you recollect the specific discussion with
25 the Attorney General in which the decision was made to

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1 brief Admiral Poindexter?

2 A No, I don't. But, it would have been a part
3 of our general discussions about Departmental activities
4 that took place all of the time. We did this everyday.
5 And, so, sure, it was part of that. It was not a part of
6 any regular -- I believe it was just the two of us
7 discussing it.

8 Q Do you recall whose idea it was, or whose
9 suggestion it was, to brief Admiral Poindexter?

10 A I don't know.

11 Q Up until that point, had you had any contact
12 with Admiral Poindexter?

13 A No.

14 Q Had you ever met Admiral Poindexter?

15 A Yes.

16 Q Had you ever briefed Admiral Poindexter on
17 any case other than this case?

18 A In the same vein, perhaps not; but maybe we
19 discussed it about other cases. I don't recall the
20 sequence, but there were times when, either at the
21 operational activities, maybe Admiral Poindexter had been
22 there and there had been discussions. But I don't have any
23 other, no formal kind of process like this.

24 Q This was the only time that you actually made
25 a trip down to see Admiral Poindexter and brief him on a

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1 case?

2 A That's right.

3 Q There were, however, other cases with
4 assassination plots involved, were there not?

5 A That's right.

6 Q And there were other Neutrality Act
7 violations--

8 A I believe so.

9 Q --being handled by the Department; is that
10 correct?

11 A There were, certainly.

12 Q Can you tell me what it was that made this
13 case worthy of a special trip to the NSC to brief Admiral
14 Poindexter?

15 A I don't know that I can. Just that it was of
16 high drama; and of, I think, of great interest in that I
17 thought that it was, that it had a complex of factors
18 involved in terms of threats to ambassadors and activities
19 and the disclosures that may take place in Miami, and the
20 developments of activities. So, I think just the mix of
21 all of this was such that we felt that it was of sufficient
22 moment that, perhaps in this instance, we should do that.

23 Q What was it about Admiral Poindexter's
24 position that it made it desirable to brief him?

25 A That he would be a part of any of the follow

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1 up of certainly any activities that might involve the
2 ambassador. That certainly would be part of our interest.
3 And, in a general sense, obviously, I knew that references
4 to the whole Nicaraguan situation would be of interest.

5 Q When you say he would be part of the follow
6 up in any incident--

7 A Anything that would happen. If there were an
8 incident where there was a threat in a specific kind of
9 operational activity that may have to be taken by the
10 Government, with reference to protection of an ambassador,
11 or an arrest of someone who might be involved in a plot, it
12 would be of interest certainly to Admiral Poindexter.

13 Q Do you recall whether the decision was made
14 to brief anyone other than Admiral Poindexter on the case?

15 A No; no decision either to do or not do. It
16 simply was: let us do what we did.

17 Q Was the State Department briefed on this?

18 A I think they were already in the -- it was
19 clear that they had already been briefed with reference to
20 any activity by the Ambassador. I think there was a
21 regularized flow. I am sure that I was aware of all of the
22 persons who received this, but I don't know that NSC did
23 get this kind of information as a regularized flow.

24 Q Why, if it was a regularized flow in
25 departments like State and CIA, why did you go to brief

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1 Admiral Poindexter?

2 A Simply to -- I suppose that it may have been
3 that the events were contemporaneous, and that there may
4 have been something that developed that in terms of the
5 Garcia matter that would now become a part of public
6 discussions; then, there would be a question about what
7 was being done to handle this matter. I think we briefed
8 him with reference to that as to what the Department was
9 actually doing.

10 Q What was likely to become a public
11 discussion?

12 A I think there was some question about whether
13 or not there was a sentence coming up that would involve
14 statements by Garcia in the part of that sentencing
15 process. I believe that is what was happening.

16 Q Do you recall, with regard to and sentence,
17 the decision being made to postpone that sentencing?

18 A No; that is not a part of the process in
19 terms of handling the case itself.

20 Q Prior to briefing Admiral Poindexter, did you
21 have any conversation yourself with Mr. Kellner, the United
22 States Attorney for the Southern District?

23 A I think around the time, I think probably I
24 had talked with Kellner about the specific matter.

25 Q Had you ever discussed any other cases with

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1 Mr. Kellner?

2 A Many, many occasions; there were many times
3 when we talked with Mr. Kellner. There is a great deal of
4 activity out of his office.

5 Q You had advised Mr. Trott, you in turn
6 involved Mr. Richards to keep an eye on the case and to
7 keep you advised; is that correct?

8 A I think that we had, that there were -- this
9 was the kind of case where there was an activity in the U.
10 S. Attorney's Office, and I believe we wanted to be kept up
11 to date on it. There was no -- in some instances that
12 takes place systematically; in some instances it doesn't.

13 Q I guess my question would be: Having
14 notified Mr. Trott and Mr. Richards to keep an eye on it,
15 why didn't you feel it important for you personally to
16 discuss the case with Mr. Trott?

17 A There was a sequence like that. I think I
18 may have talked with Kellner about this before that, it may
19 very well be. I had many conversations with Kellner, and
20 it may have been multiple subject matters. It may have
21 been in that context. I don't know that there was a
22 sequence, as you described it.

23 Q Did you ever tell Mr. Kellner to slow down or
24 to slow down his investigation?

25 A No; I did not.

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1 Q To your knowledge, did anyone in the
2 Department of Justice tell Mr. Kellner to slow down?

3 A I have no such knowledge. I mean, that is
4 the sort of thing, that there had been some activity, we
5 would take some action with reference to that. It would be
6 a proper--

7 Q You are not aware of anyone instructing
8 anyone else to tell Mr. Kellner to do that?

9 A No; I am not.

10 Q Do you recall any discussions with Mr.
11 Kellner about the efficacy of going forward with a grand
12 jury?

13 A I don't know that I talked with him about the
14 specific handling. That would be a matter that would be
15 before the initial decision of the U. S. Attorney. And, in
16 this instance, it should be some discussion with Criminal
17 Division as to what was going on. But I was not a part of
18 the operation on decisions like that. My interest was more
19 being informed of activities and making sure that there was
20 a contemporaneous flow of information.

21 Q Were you aware of any decision to go ahead
22 and present the matter or employ the grand jury in an
23 investigation?

24 A I am sure I did. I think that that was going
25 to take place. I think that was part of what was

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1 contemplated in terms of the follow up to this information.

2 Q When you say that was going to take place,
3 was that going to take place at or around March 24?

4 A I believe so.

5 Q Did you discuss with Mr. Kellner anything to
6 do with the assistant who was assigned to the case, his
7 level of experience or anything like that?

8 A No, I did not.

9 Q Did you ever discuss that with anyone in the
10 Department?

11 A No.

12 Q Let us turn, if we could, to the actual
13 briefing with Admiral Poindexter. That took place at the
14 NSC; is that correct?

15 A Well, at his office.

16 Q At his office, and that was, as best you can
17 recall, March 24, 1986?

18 A Yes.

19 Q Can you tell me what occurred at that
20 briefing?

21 A Went in to his office and showed him the
22 paper that you previously made reference to.

23 Q Do you recall whether -- let me back up. I
24 assume he read the paper?

25 A Yes.

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1 Q Do you recall whether you left him with a
2 copy, or whether you took the copy back?

3 A I believe I left him a copy. I don't know
4 for sure.

5 Q Do you recall any discussion with Admiral
6 Poindexter about the case?

7 A No. Simply that I felt that it should be
8 brought to his attention, and did so.

9 Q Why did you deliver the briefing paper
10 personally, if you can recall?

11 A I don't know that there was any specific
12 reason for that, just happened.

13 Q Do you recall Admiral Poindexter asking you
14 anything about the case?

15 A No, he did not.

16 Q Do you recall making any statements to
17 Admiral Poindexter about the case?

18 A No. Simply that I was bringing this
19 information to his attention.

20 Q Did you sit there while he read the document?

21 A Yes.

22 Q Approximately how long did the meeting take?

23 A A brief period of time, no more than it took
24 to do that.

25 Q Do you recall any mention of Colonel North in

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1 this meeting?

2 A No.

3 Q Do you recall any mention of the Nicaraguan
4 Democratic Resistance, the Contras?

5 A No.

6 Q To your knowledge, other than yourself and
7 Admiral Poindexter and the Attorney General, was anyone
8 else aware of your briefing of Admiral Poindexter?

9 A I don't believe so.

10 Q Did you tell Mr. Trott?

11 A No; I don't think so.

12 Q Did you ever discuss the case with Admiral
13 Poindexter after that time?

14 A Never did.

15 Q To your knowledge, did anyone at the
16 Department of Justice discuss the case with Admiral
17 Poindexter after that time?

18 A In a general sense, I don't know. No; I
19 don't have such knowledge. But there may certainly have
20 been some further follow up in terms of all of the mix of
21 activities taking place since then. I did not; I don't
22 know, and I don't know specifically of anybody speaking to
23 him.

24 Q Do you know if the Attorney General ever
25 spoke about the case with him?

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1 A No, I don't.

2 Q There was a time, was there not, when you and
3 the Attorney General made a stop in Miami on your way to a
4 conference?

5 A Yes, I recall that.

6 Q And I believe the date is sometime in early
7 April. It you don't hold me to this, I would say April 10.

8 A Well, you can look it up for sure in that it
9 was on the way to a meeting with the Mexican Attorney
10 General in Cancun to follow up on issues of drug cases. It
11 was immediately after that there had been an ambush and a
12 shooting of FBI Agents in Miami. And the purpose of going
13 to Miami was to visit with the FBI Agents, and the
14 opportunity came, in that we were going to this meeting in
15 Mexico anyway.

16 Q Do you recall when you arrived at the
17 airport with the Attorney General there were some vehicles
18 there to meet you, were there not?

19 A That is correct.

20 Q Did Mr. Kellner meet you at the airport?

21 A Yes, he did.

22 Q Do you recall during the course of your
23 visit in Miami who rode with whom, in what cars?

24 A My best recollection is that Mr. Kellner
25 rode with the Attorney General, and I rode in another car.

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1 But, we went to two different hospitals then returned to
2 the airport. So there were several times when you were in
3 and out of cars. So, I don't know specifically, but I
4 believe there was a time when, say, Mr. Kellner rode with
5 the Attorney General. But I don't believe that I did.

6 Q Between the time that you briefed Admiral
7 Poindexter on March 24, and the visit to Miami sometime in
8 early April -- and I believe it was April 10 -- do you
9 recall discussing the case, this case, with the Attorney
10 General?

11 A In terms of specifics, I don't. But it may
12 very well have taken place in terms of follow up.

13 Q Do you recall talking to the Attorney
14 General about it in the context of your visit to Miami?

15 A No, I don't.

16 Q Did it come up on the plane down that this
17 case was pending down there, or the Attorney General ask
18 you questions about it when he learned that he was going to
19 to Miami?

20 A I don't believe so. There were obviously
21 situations where, when you were going to go to an area and
22 meet with the U. S. Attorney, or with the Agent in charge
23 of the FBI, or that sort of thing, well, the Attorney
24 General would get briefings as to what was going on so that
25 he could discuss those. And, in most instances, I would be

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1 aware of that; and I would not be aware of it always, as
2 far as what had taken place, or what his staff had
3 prepared. There may have been some preparation with
4 reference to that. I don't have any recollection of that,
5 but I would not have any reason to disbelieve that there
6 had been some further discussions about the case before we
7 went there. But I don't think there was any specific
8 agenda prepared as to what was going to be discussed with
9 the agents, or with Mr. Kellner.

10 Q Do you recall any specific cases being
11 discussed in your presence during your trip to Miami?

12 A No, I don't.

13 Q Let me direct your attention specifically to
14 conversations that might have taken place in either of the
15 two hospitals where you were visiting the FBI Agents.

16 A There may have been some references. It
17 would have been very informal. The visits were to the
18 officers and their families, and there was a discussion
19 with the Attorney General and myself, and others, who met
20 with the officers who were in the hospital in bed, and
21 their families were there and we talked with their
22 families. The Attorney General met specifically with them.
23 It was a very brief trip and, so, if there was any business
24 discussions about issues of interest of Mr. Kellner and the
25 Department, it would have been very brief.

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1 Q Do you recall any discussion during that
2 visit to Miami of this particular case?

3 A No, I don't. I recall discussions about
4 what had taken place with the agents, and that was our
5 basic area of interest.

6 Q You recall not discussions relating to this
7 case?

8 A Right.

9 Q This would be discussions with the agents on
10 other cases?

11 A No. On the agents, where there had been
12 shooting of the agents, I mean, we had a great deal of
13 discussions about that: what had taken place.

14 Q I thought you meant discussions of the
15 agents with this case, you meant?

16 A No; I meant with the agents who had
17 unfortunately been shot.

18 Q To your knowledge, had Mr. Kellner ever met
19 the Attorney General prior to that visit?

20 A I think so. There was maybe one occasion.
21 I know there was at least an informal session when all U.
22 S. Attorneys came and met with the Attorney General when he
23 first came into office. I am quite sure that Mr. Kellner
24 was there. But I would think that there had been -- I
25 don't think it was a situation where Mr. Kellner came and

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1 met with the Attorney General in terms of specific
2 activities in that office. I remember other situations
3 where we met with Mr. Kellner and members of his office,
4 but I am not sure. I think it was with reference to other
5 activities.

6 Q And those meetings would have been in
7 Washington?

8 A There was at least one meeting while we were
9 at Mr. Kellner's office, but it had to do with another
10 activity where it happened that the Attorney General was in
11 Miami and took advantage of the fact that he
12 characteristically did that whenever he went to an area for
13 some reason: he would also go and see the U. S. Attorney
14 and the people who were in the office.

15 Q Do you ever recall Mr. Kellner coming to
16 Washington to discuss, or with one of the results or
17 purposes be to discuss this case?

18 A No, I don't. Not with me. He may very well
19 could have.

20 Q After the visit to Miami regarding the FBI
21 shootings, to you recall any further contact or
22 developments in the investigation, the Garcia
23 investigation?

24 A No, I don't.

25 Q Do you recall Mr. Kellner ever being in --

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1 and I understand you departed, you left the Department of
2 Justice in June 1986. Prior to that time, did you ever
3 have any discussions with Mr. Kellner about adverse
4 publicity that was being generated by the investigation in
5 the Garcia case?

6 A No; I don't believe that I did.

7 Q Do you recall being involved, or were you
8 involved in responses to press inquiries regarding the
9 existence or nonexistence of an investigation in Miami?

10 A No, I was not.

11 Q Have you ever been contacted by, or have you
12 ever spoken to, a reporter by the name of Murray Waas?

13 A No, I haven't.

14 MR. MC GOUGH: Bob, that is all the
15 questions I have on the Miami case. Do you have any
16 questions?

17 MR. GENZMAN: No, I don't.

18 BY MR. MC GOUGH:

19 Q Let us turn, if I could, and I want to
20 finish up, if I could, by inquiring about any contact you
21 may have had with certain people between, let's say,
22 November 1, 1986 to the present. And, if there is a lot of
23 contact, we will try to narrow it down a little bit. My
24 first question relates to contact with the Attorney General
25 since November 1986. And, by November 1986, I really mean

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1 the beginning of the publicity relating to the Iran-Contra
2 Affair.

3 A Yes, I understand your time frame.

4 Q Okay.

5 A I have seen the Attorney General; I have had
6 discussions with him since then. We have not had any
7 substantive discussions about the matters we have gone over
8 here in terms of the activities that we may have been
9 together on and that we have described here today.

10 Q Approximately how often have you talked to
11 the Attorney General since then?

12 A Not on frequent occasions. I have only seen
13 him a couple of times. I have talked to him on the phone a
14 couple of times.

15 Q On any of those occasions, have you
16 discussed either the meeting with Colonel North and the
17 Attorney General?

18 A We have discussed the fact that I have had a
19 discussion with him where I think I told him of those
20 events.

21 Q "Those events" being what events?

22 A The meeting with Mr. North, meeting with
23 Admiral Poindexter; and this was a part of the general
24 discussion about the subject matter that he and I are
25 interested in.

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1 Q Was that discussion, to which you are
2 referring to now, did that take place between our
3 indications, the Committee's indication, to you that we
4 wanted to interview you, and the actual date of the
5 interview, do you know?

6 A No; I think it was before that.

7 Q Do you recall, can you put any kind of date
8 on it?

9 A I am trying to remember, but these were with
10 relations to discussions about perhaps return to
11 Washington, and what activities might take place, and what
12 issues might be there. A whole, range of activities in
13 terms of what had taken place in the Department. So this
14 was a brief mention of any number of items, it was in that
15 context. And I discussed with him about whether I might
16 return to Washington.

17 Q The two items that you mentioned were your
18 briefing of Admiral Poindexter and the visit of Colonel
19 North?

20 A No; I am saying in terms of what you and I
21 have talked about and we have talked about all kinds of
22 things.

23 Q In terms of things relating to the Iranian
24 or Central American situation?

25 A No; these would be the only ones that were

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1 related to that, I believe.

2 Q Why did you mention those two?

3 A Only that it may be a part of any follow up
4 if I returned to Washington in some position.

5 Q What was it about those two incidents that
6 caused you to raise them?

7 A It may be an issue that, if I were to return
8 and it would be part of a confirmation process, that these
9 will be issues that might be discussed, and simply recited
10 what might be discussed if that were to take place. As I
11 say, it was part of a whole list of things.

12 Q Did the Attorney General agree with your
13 basic recollection of the events?

14 A It wasn't a matter of agreeing or not, it
15 was just a recitation.

16 Q By you to him?

17 A That's right.

18 Q Have you had any contact with the Attorney
19 General since our interview here, and that would be May 29?

20 A I think I talked to him on the phone, but
21 not about this.

22 Q The subject matter of our investigation did
23 not come up.

24 A No.

25 Q Have you had any contact at all with Colonel

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1 North since you left the Government?

2 A No, I have not.

3 Q Strike that. I don't know whether you are
4 still with the Government or not.

5 A Another branch, perhaps it should be phrased
6 in that fashion.

7 Q Have you had any contact with Admiral
8 Poindexter?

9 A No.

10 Q Have you had any contact with Oliver Revell
11 since you left the Department of Justice?

12 A I have talked with him, but not about this.

13 Q On how many occasions would you have talked
14 to him?

15 A Maybe once.

16 Q When would that have been?

17 A A couple of months ago.

18 Q Did that relate to the subject of our
19 investigation?

20 A No, it did not.

21 MR. MC GOUGH: If I may have a moment.

22 Bob, do you have any follow-up questions
23 while I am going over my notes?

24 MR. GENZMAN: No.

25 MR. MC GOUGH: Those are the all question I

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1 have.

2 MR. GENZMAN: I have nothing further.

3 MR. MC GOUGH: We have completed. Thank you
4 for your time Judge Jensen. We appreciate it.

5 (Whereupon, at 11:10 a.m., the deposition
6 was concluded.)

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9 D. LOWELL JENSEN
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2 STATE OF CALIFORNIA)
3 City and County of San Francisco) ss

4 I, JAMES W. HIGGINS, a Notary Public in the
5 State of California, hereby certify that the witness in the
6 foregoing deposition was by me duly sworn to testify the
7 truth, the whole truth and nothing but the truth in the
8 within-entitled cause; that said deposition was taken at
9 the time and place therein stated; that the testimony of
10 the said witness was reported by me, and thereafter
11 transcribed by me into typewriting; that the foregoing is a
12 full, complete and true record of said testimony.

13 I further certify that I am not of counsel or
14 attorney for either or any of the parties in the foregoing
15 deposition and caption named, or in any way interested in
16 the outcome of the cause named in said caption.

17 IN WITNESS WHEREOF, I have hereunto set my
18 hand and affixed my seal this 8th day of July 1987.

19
20 
21 JAMES W. HIGGINS
22 Notary Public, in and for the
23 City and County of
24 San Francisco,
25 State of California



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HEARINGS

HSITS-77/87

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
 TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

TESTIMONY OF EDWARD S. JUCHNIEWICZ

Thursday, April 23, 1987

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Partially Declassified/Released on 12-21-87
 under provisions of E.O. 12356
 by N. Menan, National Security Council

Washington, D.C.

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TESTIMONY OF EDWARD S. JUCHNIEWICZ

Thursday, April 23, 1987

United States Senate

Select Committee on Secret Military

Assistance to Iran and the

Nicaraguan Opposition

Washington, D. C.

Deposition of EDWARD S. JUCHNIEWICZ, called as
a witness by counsel for the Select Committee, at the
offices of the Select Committee, Room SH-901, Hart Senate
Office Building, Washington, D. C., commencing at 2:45
p.m., the witness having been duly sworn by RAYMOND HEER,
III, a Notary Public in and for the District of Columbia,
and the testimony being taken down by Stenomask by
RAYMOND HEER, III, and transcribed under his direction.

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2

1 **APPEARANCES:**2 On behalf of the Senate Select Committee on Secret
3 Military Assistance to Iran and the Nicaraguan4 **Opposition:**

5 TIMOTHY WOODCOCK, ESQ.

6 ~~THOMAS FOLGAR, ESQ.~~

7 On behalf of the Central Intelligence Agency:

8 R. BRADFORD STILES, ESQ.

9 RHONDA M. HUGHES, ESQ.

10 PHYLLIS PROBST MC NEIL, ESQ.

11

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3

P R O C E E D I N G S

1
2 Whereupon,

3 EDWARD S. JUCHNIEWICZ,
4 called a witness by counsel for the Senate Select
5 Committee, and having been duly sworn by the Notary
6 Public, was examined and testified as follows:

7 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

8 BY MR. WOODCOCK:

9 Q Before we begin, let me put on record who I am
10 and my capacity. I am Tim Woodcock. I am an Associate
11 Counsel with the Senate Select Committee on the Secret
12 Military Assistance to Iran and Nicaraguan Opposition.
13 In that capacity, I am representing the Committee at this
14 deposition.

15 The Committee has been constituted to pursue,
16 as I think you know, a wide range of matters under its
17 enabling resolution that includes transfer of arms to
18 Iran and also diversion, perhaps, of monies to the
19 Nicaraguan opposition and also whatever material
20 assistance may have been rendered to the Nicaraguan
21 opposition. This deposition is part of that inquiry on
22 the part of the Committee and therefore is an official
23 proceeding of the Senate Select Committee. It is
24 entirely possible that this deposition may be used by the
25 Committee in its later scheduling of hearings on this and

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1 other topics.

2 That having been said, let me begin by asking
3 you if you would to sketch your background, your
4 professional background, particularly as that it began
5 with the Agency and perhaps greater detail as the years
6 go by.

7 A I should have brought my resume along.

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And then from 1983 to '86 I was the
Associate Deputy Director of Operations.

Q Would you take a moment and describe your last
position Associate Deputy Director of Operations, what
your duties encompassed?

A Basically to assist the Deputy Director of
Operations in the management of all our clandestine
activities world-wide.

Q Now, during your tenure was John McMahon the
Deputy Director the entire time?

A No, John McMahon, while I was on the --
McMahon appointed me to his [REDACTED] He was
still the Deputy Director for Operations at that time.
McMahon left to become the Deputy Director and [REDACTED]
took over the Directorate of Operations.

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1 Q Do you recall when that was?

2 A No, I don't. Can you get it out of the files

3 somewhere?

4 MR. POLGAR: Off the record.

5 BY MR. WOODCOCK: (Resuming)

6 (11) Q You have testified that you became ADDO in

7 1983. At that time who was your superior?

8 A [REDACTED]

9 (6) Q If you remember, approximately when did [REDACTED] 2.5

10 [REDACTED] leave his position?

11 A I think it was sometime in '83. Early '85. 1.5

12 Q And then who succeeded him?

13 A Clair George.

14 Q Now you have testified that your duties as

15 ADDO were to assist the DDO in clandestine operations

16 and, I gather, generally in what the DDO did for the

17 Agency.

18 A Correct.

19 Q Could you go into somewhat greater detail as

20 to the jurisdiction of the DDO and what he might do in

21 the course of a day?

22 A Well, actually the DDO would have the group of

23 individuals, [REDACTED] special assistants, specifically,

24 reviewing the cable traffic from all over the world, from

25 all our stations all over the world. Anything of

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1 particular importance would be flagged for the DDO to
2 peruse or to consider. This also would be flagged for me
3 to look at.

4 We had regularly scheduled meetings with our
5 other managers within the Directorate of Operations. So
6 on a particular day we might have had several division
7 chiefs and a staff chief to come for a half an hour or
8 one-hour meeting to discuss the situation in their area
9 of responsibility. We also could have had discussions
10 scheduled on personnel issues, personnel matters. Some
11 of the operational things that were brought to our
12 attention by our leaders required more extensive review,
13 required more extensive deliberations, the sending of
14 correspondence to one or several field stations because
15 of a crisis situation that may have arisen in one of of
16 the areas.

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22 Q Did you have any screening responsibilities
23 yourself for cables submitted to the DDO?

24 A No, the screening was done by the special
25 assistants, both incoming and outgoing.

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1 Q Now, these special assistants worked for the
2 DDO himself, is that right?

3 A They were assigned to the office, but in
4 effect they [REDACTED] screened for the DDO. [REDACTED] did a certain
5 amount of the screening for me because I had a special
6 interest in resource matters. Having come out of the
7 staff which managed the Directorate's resources for three
8 years, I was very familiar with the whole budget process
9 and the management of resources in the Directorate, so I
10 was asked to continue to watch over that that particular
11 aspect.

12 Q Now did you have any staff of your own?

13 A I did not.

14 Q Was there any particular deputy you relied on,
15 any particular special assistant?

16 A No.

17 Q Let me proceed from there to a discussion of
18 the November flight of HAWKS that has become so
19 celebrated. Could you, if you would, recount your
20 recollection of your first involvement in this?

21 A Let's see. The first involvement was on a
22 Friday afternoon. It was mid-afternoon when I was
23 approached by Mr. Duane Clarridge, who was the chief of
24 our European division at the time. Clair George was out
25 of town, so Mr. Clarridge came up to talk with him and

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1 said that he had been approached, and I think that he had
2 specified whether he physically met with Colonel North or
3 whether he was phoned by Colonel North.

4 Colonel North explained to him that he had a
5 dilemma, that he was in need of transport to ship some
6 material to Israel, and he was having a difficult time
7 locating a reliable freight carrier. He asked if
8 Clarridge could be of some assistance. Clarridge did
9 whatever checking he had to do and in the process told me
10 that he had consulted with our [REDACTED] people. The
11 [REDACTED] apparently was able to come up with several
12 companies that they were aware of, but since Colonel
13 North indicated that there was a rather short time frame,
14 that he had to have the transport relatively short order,
15 they discounted the possibility of arranging anything
16 through any of these other mechanisms and suggested to
17 Mr. Clarridge that he consider using the agency's
18 proprietary aircraft.

19 Clarridge did not give any kind of immediate
20 reaction to Colonel North from what he mentioned to me.
21 And his point with me was, what do you think? And I said
22 not knowing anything about what Colonel North had in mind
23 or what anybody else had in mind, I said that the
24 proprietary was a bona fide commercial venture and since
25 I knew that General Secord was out there doing all kinds

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1 of things -- I didn't know specifically what he was doing
2 -- since it was a bona fide commercial venture, I said
3 anybody could go out and approach the manager of the
4 proprietary and charter that aircraft.

5 And he said, well, do you have any particular
6 objections? And I said well, why should I have any
7 objections if Colonel North or General Secord went to
8 wherever the proprietary is located and dealt with the
9 proprietary manager? I said you are not asking me to
10 commit any funds, any Agency funds. You are not asking
11 me to commit Agency resources. You are not asking me to
12 commit the Agency in any way to any thing. It's a purely
13 a commercial undertaking. So he left at that and I did
14 not hear from him that day.

15 That evening I got a telephone call at the
16 house.

17 Q Before we leave that point let me see if I
18 can't ask you a couple of questions about this initial
19 conversation with Mr. Clarridge. Did he let you know who
20 in [REDACTED] he had spoken with?

21 A No.

22 Q And in your response to him at this time, at
23 this early juncture, did you refer to General Secord?

24 A I did not.

25 Q And did he bring to your attention General

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1 Secord at that point?

2 A He did not bring attention to General Secord
3 at that time, but I recalled having been briefed by
4 someone that General Secord was travelling around in some
5 alias, and I did not recall the alias, but he was
6 functioning as Colonel North's point man, so to speak.

7 Q Let me address that for just a moment. Do you
8 recall when that briefing might have occurred with
9 respect to this conversation?

10 A Shortly before this conversation, but I don't
11 know exactly when.

12 Q And do you recall whether the briefer was an
13 agency person?

14 A Oh, yes, yes. My suspicion is that it might
15 have even been one of our staff assistants who was out
16 purusing through the cable traffic, the staff assistants
17 who reviewed all the cable traffic every morning.

18 Q So I gather this was brought to your
19 attention, not with respect to any impending operation,
20 but just a matter of general information?

21 A Right.

22 Q And do you recall what it was? You testified
23 that General Secord was out there travelling, doing all
24 sorts of things. Do you recall specifically what he was
25 doing?

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1 A No. Apparently -- my recollection is that he
2 tried to contact several of our station chiefs to
3 facilitate some contacts between himself and members of
4 liaison services or local governments. I forget the
5 countries where this happened. And we had received
6 cables from these stations telling us that, asking us for
7 instructions as to how to react. And it's my impression
8 that this was, this was brought to Colonel North's
9 attention in some manner. And I think he finally
10 admitted to someone -- and I don't who it was he admitted
11 to -- that General Secord was -- whatever alias they gave
12 was indeed General Secord and he was working for the
13 White House, period.

14 Q And all this preceeds your conversation with
15 Clarridge on the 27nd?

16 A That is my recollection. Yeah, because I --
17 but, you know, you have to bear in mind that I've so much
18 since then and it hasn't been official correspondence.
19 I've been reading everything in the press about this
20 entire incident. So now I'm having a bit of a difficult
21 time putting it chronologically. I don't know what I was
22 briefed on before while I was still in the Agency, what I
23 read when I retired or after retirement, and what I read
24 in order to bone up on my testimony before the SSCI.

25 But I have not been in the building since.

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1 I've been in the building, but on other matters, and I've
2 read no correspondence whatsoever relating to this this
3 whole episode, the Iran' episode.

4 Q You're not the only witness with that
5 difficulty.

6 A Because my intent is certainly is not to
7 mislead. I mean, I want to be very forthcoming and
8 factual insofar as I can be, but, you know, bearing in
9 mind that I haven't been exposed to this stuff for quite
10 a while.

11 Q Let me go back to this moment just try and
12 parse this out a little bit further. Your recollection,
13 your best recollection is that you received basically an
14 information briefing from someone who had been reading
15 cable traffic that Secord was travelling around.

16 A Yes.

17 Q Now, did that briefing or that information
18 include the information you just described about Secord
19 trying to contact station chiefs?

20 A Yes. Because, in other words, if it was in a
21 cable it obviously had to do with some station chief
22 writing back to us and asking us who this guy was.

23 Q Now, do you recall whether that briefing that
24 you received contained any reference to what it was that
25 Secord was doing trying to get in touch with these

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1 station chiefs?

2 A No.

3 Q And you said that in all probability the
4 reason these cables would have been coming in the station
5 chiefs would have been seeking some instruction from
6 headquarters.

7 A Exactly.

8 Q Do you recall whether any instructions went
9 out of headquarters?

10 A My recollection was that there was something
11 that went out to these stations.

12 Q And what time frame would that have been?

13 A I have no idea.

14 Q But presumably that would have been before
15 your conversation with Mr. Clarridge?

16 A I would say.

17 Q Let me try and test your memory just a little
18 further. Do you have any idea what the content of those
19 instructions would have been?

20 A I would have no idea.

21 Q Let me ask you a different kind of a question.
22 On the subject of Major General Secord, did you have any
23 prior knowledge of Major General Secord?

24 A Never heard of the guy, never met him in my
25 life, which is -- then [REDACTED]

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1 Commission report suggestive that I met him at the agency
2 building on one occasion which is absolutely absurd.

3 I've never met the guy.

4 Q Did he have any reputation that you knew of?

5 A No.

6 Q I gather then that you were unaware of any
7 connection with Edmund Wilson?

8 A Totally. Of course, a lot of people
9 volunteered opinions of General Secord afterward. But I
10 had not known that before.

11 Q When you say afterward. How long are we
12 talking about?

13 A Many months afterward.

14 Q There was some post facto assessments?

15 A Yes, post facto assessments of General Secord.

16 Q Let me ask you one more question on that topic
17 so that I can clarify this section of your testimony.
18 When you were speaking with Mr. Clarridge on the 22nd,
19 was it your reaction that based on these earlier cables
20 that this was something that Secord might have been
21 involved in, or did this reaction reach you later in the
22 process?

23 A It reached me later in the process. I didn't
24 know whether it was connected or not.

25 Q Okay.

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1 A But obviously I knew it was being run out of
2 the White House. In other words, Colonel North was
3 inquiring, he was apparently desperate. He needed
4 transport, which was the way it was presented to me.

5 Q So I gather based on the previous information
6 that you had suggestion of North, suggested the possible
7 involvement of Secord?

8 A Right.

9 Q All right. Now from that point you had this
10 conversation with Mr. Clarridge and you gave him your
11 opinion on the availability of the proprietary for any
12 commercial venture.

13 A Right. Now bear in mind what he was asking.
14 It was perfectly clear in my mind. It was a very short
15 conversation with Mr. Clarridge and he was -- there was
16 no attempt to ask for assistance beyond ~~the~~ the naming or
17 suggesting of a commercial carrier that could be leased
18 by the White House. There was no suggestion that we
19 needed to commit people, money or anything else. And Mr.
20 Clarridge gave me the distinct impression that he was
21 reacting as a friend of Mr. North's in this particular
22 case, that he wasn't being tasked officially to come up
23 with this, but that he was attempting to help Colonel
24 North out of a tough spot.

25 Q And based on that limited understanding you

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1 gave your advice?

2 A Right.

3 Q Now, having given your advice -- I gather this
4 all took place at the agency?

5 A It was right in my office.

6 Q This, I gather, did not come back to your
7 attention later that day?

8 A No. Well, except later that working day.

9 Q Okay.

10 A In other words, then we go into the telephone
11 call from Lieutenant Colonel North at my house.

12 Q Okay. Why don't we proceed to that? You
13 received a telephone call from Colonel North.

14 Approximately when was that?

15 A Well, it was about 9:00 that evening as I was
16 sitting around at home, and Colonel North indicated to me
17 that he had tried to get in touch with Mr. [redacted] and I
18 mentioned to him that Mr. George was out of town on leave
19 or something, I don't remember exactly. And Colonel
20 North then proceeded to give me the same basic story that
21 Mr. Clarridge had given me, namely, that he was desperate,
22 he needed transport and he had inquired of Mr. Clarridge
23 and Mr. Clarridge had apparently gotten back to him.

24 And I mentioned to Colonel North, because this
25 was an open black line -- you know, Colonel North was a

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1 very secure person and so we did not engage in any
2 lengthy banter about anything. I mean it was a very
3 cryptic conversation. And I essentially told him, I said
4 look I've already explained it to Dewey Clarridge and if
5 you people are that hard up and you need to charter an
6 aircraft, I mean this is a commercial enterprise, you can
7 go out and get your money on the table and charter an
8 airplane. He asked me for no specific assistance.
9 Nothing further came from him. He just said thank you
10 and hung up.

11 Q Okay. Let me just touch on a of couple points
12 in this conversation.

13 A He was not used to dealing with me, first. In
14 other words, I had only had about two conversations with
15 Colonel North before this time.

16 Q Okay, that was one of the questions.

17 A And he was obviously very ill at ease because
18 he had to talk to me rather than to Mr. George, with whom
19 he was accustomed to dealing, and I think he knew that he
20 would certainly feel more comfortable had he been able to
21 deal with Clair George.

22 Q But you were in a position, I gather, that you
23 could recognize his voice, is that correct?

24 A Oh, yes. He identified himself.

25 Q And you were able to satisfy yourself that it

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1 was North and not somebody else impersonating North based
2 on at least prior conversations with him and your
3 recognition of his voice, and also on his knowledge of
4 your conversation with Mr. Clarridge.

5 A Yes.

6 Q So you had no doubt that it was North you were
7 talking to?

8 A Right.

9 Q So at this point North rings off. Is that the
10 end of the your involvement with the activity for that
11 day?

12 A That was the end of that day.

13 Q All right. Now, when do you next come back
14 into the November '83, excuse me, November '85 flight?

15 A The next day I brought this to the attention
16 of John McMahon, who was the Deputy Director.

17 Q Okay. Now do you recall that next day, I
18 believe, was a Saturday? Is that your recollection?

19 A Yes.

20 Q Okay. Now could you describe to me how it is
21 that you bring this to the attention of Deputy Director
22 McMahon?

23 A Right. As a rule John McMahon would always
24 pop around when he was on duty on Saturdays, and come
25 around to see if anything was happening in the

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1 Directorate of Operations. And we had our usual
 2 conversation about interesting things and I mentioned to
 3 John McMahon that I had the phone call from Colonel North
 4 the evening before and I said, John, guess what? [REDACTED]

5 [REDACTED]

6 Q Now, did you have or did he have a reaction to
 7 that?

8 A Yes. He stopped, paused, became very
 9 contemplative and left, left my office.

10 Q He had no rejoinder for that?

11 A No, I think it probably it seemed to anyway,
 12 and here I am talking a little bit for John McMahon,
 13 which is probably unfair. It seemed to me that he was a
 14 bit surprised by the the announcement. And, as is usual
 15 with John, he just went back to contemplate it for a
 16 while.

17 Q Now, following that encounter with Mr. McMahon
 18 did this item again come up?

19 A [REDACTED] and
 20 indicated that under the circumstances, and in view of
 21 the fact that the NSC had come to us and in all
 22 probability would come back to us at some point -- this
 23 was the first -- my understanding was from John that this
 24 was the first time that they had actually asked for any
 25 type of assistance. And McMahon being the very

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1 shrewd guy he is figured that if this is the first effort
 2 in all probability there may be other situations where
 3 we will be called upon to assist them in this particular
 4 venture and under the circumstances he came back and he
 5 told me, he says, I think that we need a presidential
 6 finding before we can do anything further.

7 And he said I would appreciate it if you would
 8 send a couple of officers to brief Stanley Sporkin, our
 9 general counsel, on what we know of this entire situation
 10 and get Stanley Sporkin's reaction.

11 Q And I gather you did that, is that correct?

12 A Yes.

13 Q Who did you pick to brief Mr. Sporkin?

14 A Well my recollection is [REDACTED] he was
 15 the deputy chief of our New East division at the time.

16 Q And was it just [REDACTED] or someone else? (S)

17 A I don't recall. I think that probably it was
 18 someone else but I am not sure. [REDACTED] may have taken
 19 someone else with him.

20 Q Now was [REDACTED] in the building? Was this
 21 something you were able to do right away? (11)

22 A Oh, yes. Well, he was not in the building on
 23 Saturday. No, I got to him on Monday.

24 Q So this was your understanding was that this
 25 was something that could wait at least until Monday?

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1 A Oh, yes. Also, I mean, you know, I don't
2 know. I was informed subsequently that the aircraft, the
3 agency proprietary airplane which had been chartered, had
4 not actually flown to Tel Aviv or from Israel to Iran
5 until the 25th. So if anyone was particularly exercised
6 over this whole thing there was certainly time on
7 Saturday to send a message out to stop the flight.

8 Q Okay. In a sense that anticipates my next
9 question. Following this conversation with Mr. McMahon
10 when he returned to your office and had given you his
11 opinion on the Finding necessity, did the flight come
12 back to your attention on the 23rd?

13 A No.

14 Q Okay. When did it next come to your
15 attention?

16 A Actually it did not come to my attention for,
17 until I went back in to collect my thoughts and the facts
18 before the SSCI testimony.

19 Q And that would have been 1986.

20 A Yeah. Because I had no reason to make any
21 inquiries really as about the flight -- whether it had
22 actually taken place, what was on board, so on and so
23 forth. I was not one of those privileged few who were
24 privy to this activity. Now, I noted in the Tower Report
25 from one of Mr. North's memos that there were very very

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1 few people who were briefed on the activity. It was a
2 very highly compartmented activity and I was not one of
3 those who was within that compartment.

4 Q Why don't we turn then to Monday morning? I
5 think that would be November 25?

6 A Yes.

7 Q In pursu~~it~~ of Mr. McMahon's instructions I
8 gather you tasked [REDACTED] to go brief Mr. Sporkin.

9 A Yes.

10 Q Now, do you bring [REDACTED] into your
11 office? How does this work?

12 A God, I wish I could recall exactly, but I
13 would suspect that I did. I don't recall exactly, but I
14 think I asked [REDACTED] to come down and told him what had
15 transpired over the Saturday with the Deputy Director and
16 asked him to get whatever material he could and go over
17 and talk to Brian Sporkin.

18 Q Now let me just backtrack to Saturday for a
19 minute. We now know that there was some cable traffic
20 coming back to Mr. Clarridge both on the 22nd and the
21 23rd and I think even after that on the problems that
22 this flight is encountering in its efforts to get
23 clearance in other countries, so on and so forth.

24 Was any of that coming to your attention?

25 A No. I read about that only afterwards.

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1 Q Now, explain to me how that would work. These
2 cables are coming out [REDACTED] they're coming into
3 headquarters. Would this be something that your
4 screeners would be reading?

5 A I can't say because I don't know what channel
6 they used for that particular cable traffic. It's
7 entirely conceivable that Clarridge used his own privacy
8 channel, in which case we would not get copies.

9 Q Okay. Why don't you explain that to me? How
10 would the privacy work?

11 A Every division chief has a privacy channel
12 with his -- am I allowed to talk about that?

13 MR. STILES: I don't think it is a problem.

14 BY MR. WOODCOCK: (Resuming)

15 Q Go ahead.

16 A Every division has the ability to communicate
17 on a private channel between himself with his station
18 chiefs overseas. By using [REDACTED] on a
19 cable as soon as that cable comes into the cable center
20 they that [REDACTED] alerts the disseminators, the
21 distributors, to the fact that that is a division chief
22 only privacy channel and its dissemination is according
23 to a prescribed schedule that the division chief outlines
24 beforehand.

25 Q Now. Is that [REDACTED] also known as a [REDACTED]

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1 A Yeah.

2 Q So, is it the division chief who controls the
3 flow of that that is coming in?

4 A Privacy traffic? He doesn't control it
5 himself. The cable secretary controls it because it all
6 comes into the cable secretary.

7 Q So who would be on the distribution list?
8 Let's assume the most limited distribution list of a
9 division chief on his privacy channel.

10 A God. That I don't know.

11 Q Would there be a way, for example, to exclude
12 the Deputy Director or the Director?

13 A Unlikely, unlikely, because we saw an awful
14 lot -- well, you know there were situations ^hwhere we did
15 not see the privacy traffic. I mean, I know of many,
16 many instances when cable traffic, there was
17 correspondence with station chiefs which the directorate
18 -- the DDO's office knew nothing about. And we were
19 first alerted to it by some cable that might have come in
20 in open traffic and then we would have to call back down
21 and ask them to give us a dump on all this stuff. Maybe
22 in Tom's time it might have been slightly different.

23 MR. POLGAR: Off the record.

24 (A discussion was held off the record.)

25 BY MR. WOODCOCK: (Resuming)

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1 Q I gather that is true also of even in
 2 succeeding days. You didn't see a compilation of cable
 3 traffic that had come in on the 22nd, 23rd, 24th, 25th on
 4 this matter, is that right?

5 A No. Keep in mind that by that time Clair
 6 George was back and in charge and I was relegated back to
 7 my associate job again.

8 Q Okay. Let me now turn to the tasking of [REDACTED]
 9 [REDACTED] You brought [REDACTED] into your office, as
 10 best you recall, and what did you tell him about what had
 11 transpired?

12 A I told him the entire thing -- my
 13 conversations with Mr. Clarridge, my conversations with
 14 John McMahon, my conversation with Colonel North and the
 15 instructions that I had gotten from McMahon.

16 Q And what marching orders did you give him?

17 A Told him to go over a brief Sporkin on
 18 everything he knew.

19 Q Was he then to report back to you?

20 A No. I suspected that he would have reported
 21 back to Clair George.

22 Q [REDACTED] when?

23 A I believe that [REDACTED], so that would have
 24 been the [REDACTED]

25 Q Do you recall attending a meeting on [REDACTED]

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1 5, 1963 in Mr. McMahon's office?

2 A Yes.

3 Q With Mr. Gates and [REDACTED]

4 [REDACTED]

5 A Yes. I remember being there because John was
6 preparing to go down to an NSC meeting, I think.

7 Q Let me ask you first what you recall about it
8 and after I do that I have a memorandum that you may want
9 to review to see if it refreshes your recollection, but
10 without looking at the memorandum, what do you recall of
11 that meeting?

12 A Really not too terribly much except the sense
13 was that I believe we discussed whatever knowledge we had
14 of this whole Iranian matter. We discussed Ghorbanifar,
15 I believe, for sure, because we again pointed out to
16 McMahon that we had had negative traces on Ghorbanifar
17 and we ventured some personal opinions about Mr.
18 Ghorbanifar which we were hoping that Mr. McMahon could
19 raise with the principals at the NSC meeting because he
20 was sitting in for Bill Casey, as I recall, who was in
21 [REDACTED] at the time.

22 Q Let me ask you, before you proceed, when you
23 say we share our negative feelings about him, I gather
24 that includes you and who else?

25 A I can't remember exactly, but other people in

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1 attendance there who were briefed on our file holdings on
2 Mr. Ghorbanifar shared our views about him, namely that
3 he was the type of an individual that the Agency would
4 absolutely have nothing to do with.

5 Q And it was your understanding that
6 Ghordbanifar was likely to be an item on the meeting that
7 Mr. McMahon was preparing for?

8 A No. I didn't understand that specifically but
9 since were obviously the meeting was called to discuss
10 the entire matter and John was looking for facts for
11 anything actually that he should raise at the meeting.
12 And one of our strongest objections consistently had been
13 to the use of Ghorbanifar as an intermediary.

14 Q Do you recall yourself having raised the
15 Ghorbanifar question? Did you bring your own knowledge
16 to Mr. McMahon's attention?
17 ^{Know} I don't, if I raised it or somebody else raised
18 it but I certainly added my voice to it.

19 Q Now, let me back you up on the subject of
20 Ghorbanifar. You testified ~~that the file had been~~
21 done of Ghorbanifar. Is that right?

22 A Yes.

23 Q Presumably that means a review of his 301
24 file? Is that right?

25 A Yes.

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1 Q Do you recall how it was that file review came
2 about?

3 A Yes. Someone -- and I can't remember whether
4 it was Director Casey or McMahon -- brought up the name
5 of Ghorbanifar with me on one occasion. I can't recall
6 the context or anything. But I, following this meeting
7 at which Ghorbanifar's name came up, I immediately went
8 in and asked for a file trace on Ghorbanifar.

9 Q Do you recall who it was that ended up doing
10 the tracing?

11 A Oh, yes. I remember that [REDACTED] came up
12 with Ghorbanifar's file. It wasn't a very extensive
13 file, but I mean it contained enough information in there
14 to let us know that the individual wasn't really thought
15 of very highly by the Agency.

16 Q It's a pretty extensive file now.

17 A And further my recollection is, and I wish I
18 could be more specific as to timing, but my recollection
19 is that this this occurred before my conversations with
20 Clarridge, so it's certainly before November 72nd and I
21 recall having suggested to [REDACTED] -- or maybe it was
22 even stronger than that -- told [REDACTED] he should
23 brief Colonel North on the Ghorbanifar, on the
24 information concerning Ghorbanifar that was in our file.

25 Q Okay. Let me ask you on the subject of

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1 Ghorbanifar, at the time you suggest or requested this
2 file review, did you have an understanding as to what
3 Ghorbanifar was being contemplated for?

4 A Yes. I had, somehow. I don't know^W whether I
5 was told or I was led to believe that Ghorbanifar was the
6 individual who was being met by Colonel North and was the
7 intermediary to so-called Iranian moderates.

8 Q Did you know at the time that this was brought
9 to your attention ~~that this was brought to your attention~~
10 yet or was he about to meet with him?

11 A I'm not sure.

12 Q And I gather that this came to your attention
13 through either the Director or Deputy Director?

14 A That is my recollection.

15 Q To your best recollection, when might this
16 have come to your attention from either the Director or
17 the Deputy Director?

18 A My suspicion was probably was sometime
19 September, October '85.

20 Q Now when you sent [REDACTED] down to pick up
21 this file --

22 A I didn't send him down. The files are in
23 central repository, he obviously had someone run the name
24 through the registry and someone brought him the file and
25 so he came up with the file.

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1 Q Now, did you review it together?

2 A No, he had reviewed it but he gave me sort of
3 a precis of what the file contained. And having -- once
4 he told me what it contained we immediately went into
5 John McMahon and briefed John McMahon.

6 Q Now, you said that you believe that you
7 directed [REDACTED] to brief Colonel North.

8 A I either told him to go down as soon as he
9 could or on the next occasion when he was down at the NSC
10 discussing whatever it is that he discussed with Colonel
11 North, I told him to be sure to bring to his attention
12 what we had in our files on Ghorbanifar.

13 Q Now, was that instruction given before or after
14 the meeting with Mr. McMahon?

15 A I can't recall. I think it was probably
16 after.

17 Q Now, when you went in to brief Mr. McMahon,
18 [REDACTED] came with you, is that correct?

19 A Yes.

20 Q What do you recall about the substance of that
21 meeting?

22 A Well, essentially [REDACTED] told John McMahon
23 exactly what he had told me and a little discussion
24 ensued after that at which we questioned the wisdom of
25 the entire undertaking.

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1 Q What did you understand the undertaking to be
2 at that point?

3 A The undertaking to be that ~~the CIA was seeking~~
4 ~~ways of establishing contacts with Iranians to try and~~
5 ~~arrange for the release of the American hostages.~~

6 Q And I gather at this point you did not have an
7 understanding as to whether this also included the
8 ~~shipment of military hardware to Iran.~~

9 A I ~~had~~ no idea.

10 Q Mr. Juchniewicz, I'm going to show you three
11 documents which bear for record identification purposes
12 the following identifying numbers. The first in the
13 series that I will give is the identifier applied to the
14 document by the CIA and the second that I will give with
15 be the identifying number applied to the document applied
16 by the Senate Select Committee.

17 ~~The first~~ document that I am going to show to
18 you is, appears to be a cable dated July 11, 1982. It
19 bears the CIA identifier CIIN 1033 and the Senate
20 Identifier C 1475. The second document which I will show
21 you right on the heels of this is CIIN 1033, Senate
22 Identifier C 1476, and the third document I am going to
23 show you bears the identifier CIIN 1034, Senate
24 Identifier C 1477.

25 MS. MCNEIL): What are the dates on those

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1 documents?

2 THE WITNESS: One is, the document itself is
3 11 July 1985.

4 MS. HUGHES: Which one is that?

5 THE WITNESS: It's the memorandum CIIN 1033.
6 And then the other, the cable is 12 July '85, that is
7 CIIN 1032, and 1034 is 9 July '85.

8 BY MR. WOODCOCK: (Resuming)

9 Q Have you had an opportunity to review these
10 three documents?

11 A Yes, I have.

12 Q Did these documents show up, if you recall, in
13 your review of the Ghorbanifar 201 file, which you
14 believe is the fall of '85?

15 A Since I didn't review the file I can't say.

16 Q Do you recall information like that contained
17 in these documents being brought to your attention in
18 your assessment of the veracity and reliability of Mr.
19 Ghorbanifar?

20 A Yes, I do.

21 Q Would that have been relayed to you by [REDACTED]
22 [REDACTED] following his review of the file?

23 A Yes.

24 (Pause.)

25 Your point being -- I am missing your point?

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1 Q Well --

2 A I'm not trying to vague or obtuse.

3 (A discussion was held off the record.)

4 BY MR. WOODCOCK: (Resuming)

5 Q Mr. Juchniewicz, you have had an opportunity
6 to review the three exhibits that I have identified
7 previously for the record; is that correct?

8 A Yes, I have.

9 Q Now, those exhibits describe inquiries on the
10 subject of Manucher Ghorbanifar and his possible sales
11 facilitating in the release of hostages back in July of
12 1985. Do you recall that information being brought to
13 your attention when you asked for the review of the 201
14 file in the fall of '85?

15 A Yes, I believe so.

16 Q And do you recall who it was who would have
17 brought that to your attention?

18 A Yes. I believe it probably was [REDACTED]

19 Q Now. Did [REDACTED] or anyone else in your
20 review of Ghorbanifar's status in the fall of '85
21 demonstrate any first-hand familiarity with the subject
22 of those exhibits?

23 A No. No, not that I can recall.

24 Q Now, following your meeting with [REDACTED]
25 your testimony is that you and [REDACTED] went and

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1 briefed Mr. McMahon on what you had found in the
2 Ghorbanifar 201.

3 A Right.

4 Q Do you recall what Mr. McMahon's reaction was
5 to the information that you imparted to him?

6 A Yes. He was highly incensed.

7 Q And why would that be?

8 A Well, I don't why it would be, but I mean he
9 was obviously disturbed by the fact that someone in the
10 U.S. government would see fit to deal with an individual
11 like Ghorbanifar in light of what the CIA had in its
12 files on him.

13 Q Now, did you feel the need or did Mr. McMahon
14 feel the need to take this information any higher than
15 himself?

16 A I believe he did take it higher. I believe he
17 suggested to me that he had briefed the Director.

18 Q Okay. Let me try and parse that a bit. Did
19 he tell you at the time you briefed him that he had
20 already briefed the Director?

21 A No. But he told me afterwards.

22 Q Okay. So some time later he affirmed to you
23 that he had brought that information to the attention of
24 the Director?

25 A Right.

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1 Q And would that have been a short time later?

2 A Yes. I would suspect it would have been
3 shortly after the Director -- well, I can't remember the
4 time frame now. Yes. It would have been a short time
5 after, you know, within a week or so.

6 Q Now you also testified that you directed [REDACTED]
7 [REDACTED] to advise Lieutenant Colonel North of the
8 discovery in the Ghorbanifar 201 file?

9 A Yes.

10 Q Do you know whether he did that?

11 A Yes. [REDACTED] mentioned to me at some point later
12 that he had briefed Colonel North.

13 Q And do you recall approximately what that
14 would have been in relation to in terms of time?

15 A When it would have been - I would suspect
16 within 10 days or so after our discussion.

17 Q Did he tell you what North's reaction was to
18 the information?

19 A The only thing that I can recall is apparently
20 there was very little reaction. I was surprised by the
21 nonreaction, let's say.

22 Q I gather you were anticipating an expression
23 of gratitude and we will not deal with this person again?
24 Is that correct?

25 A Yes. I was expecting that someone would come

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1 to us and consult with us further on Mr. Ghorbanifar to
2 try to establish who this individual really was and what
3 the professionals' opinions were about Mr. Ghorbanifar,
4 which did not happen.

5 Q Did [REDACTED] come back and impart to you
6 any understanding on his part that Lieutenant Colonel
7 North had already engaged himself with Mr. Ghorbanifar?

8 A No. No, he did not. The only thing, he came
9 back and reported that he had duly briefed Colonel North
10 and commented about the nonreaction.

11 Q So it was a nonreaction in [REDACTED] view
12 as well? Is that right?

13 A Yes.

14 Q Let me now return to the subject of the
15 meeting on December 5th. What I am about to show you is
16 a document that does not bear a CIA Identifier Number;
17 however, I will describe it for the record. It is
18 prefaced by a cover sheet which bears the title, John
19 McMahon's notepad, reference to December 5, 1985,
20 approval of Finding related to NSC project. Then there
21 is below that a date 28 November '86 MFR [REDACTED]
22 It bears our Identifier Number of I 0395 through I 0398.

23 The cover sheet is followed by a document
24 entitled, Memorandum for the Record dated November 28,
25 1986 and it is a three-page document which begins with

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1 the prefatory paragraph, "The following is a
2 reconstruction of cryptip notes that I have from a
3 December 5, 1985 meeting in DDCI John McMahon's office,"
4 and so forth.

5 Would you, if you would sir, take a look at
6 that memorandum and take your time.


7 (A discussion was held off the record.)

8 Q I would like to note for the record that upon
9 perusal by the eagled-eyed representatives of the CIA
10 legal staff and legislative liaison a CIIN number has
11 been found for this document, it is CIIN 11. Now, having
12 reviewed this document, Mr. Juchniewicz, do you have a
13 clearer recollection of the meeting on December 5th?

14 A Not really.

15 Q Let me then direct your attention to some
16 specific topics and see if this brings back any, or see
17 whether this registered in your memory banks. Do you
18 recall the subject matters that were requested as
19 covering the political scene in Iran, dissension, unrest,
20 and so on?

21 A Yes.

22 Q And do you recall the matter of the biography
23 

24 A No, I do not.

25 Q Let me skip down to this salient entry. This

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1 is put in the form of a question. Was it true that Iran
 2 was trying to get U.S. HAWK missiles to knock-out Soviet
 3 BEAR aircraft over Iran on the Iran/Iraq border? Do you
 4 recall that being a topic at all?

5 A No. Not at all.

6 Q Now on the second page there is a review of a
 7 presentation attributed to [REDACTED]

8 A Yes, who was Mr. Clarridge's deputy at the
 9 time.

10 Q Now that review includes among other things a
 11 reference to what had been done so far. The first entry
 12 there is one plane load has been sent to the Iranians on
 13 24 November, we did not know it included HAWK missiles.
 14 Do you recall that presentation of [REDACTED] at all and
 15 whether it included that within the presentation?

16 A No. My recollection is that he might. [REDACTED]
 17 probably gave an accounting of that November flight and
 18 things that he was aware of, but my recollection is that
 19 [REDACTED] was not as au ^{courant} ~~current~~ of activities as Mr.
 20 Clarridge, so I don't recall any real specifics that he
 21 might have gotten into.

22 Q Okay. Let me phrase the question a little
 23 differently. If the plane that was directed to Iran did
 24 in fact contain HAWK missiles and that was made known at
 25 the meeting within a week or 10 days of the event, would

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1 that have been a noteworthy thing in your mind?

2 A Oh, sure.

3 Q And, I gather you don't have, however, a
4 specific recollection of the plane being linked to an
5 armament shipment in this meeting, is that correct?

6 A Not in that meeting, I don't, no.

7 Q Do you recall the, as part of [REDACTED]
8 presentation that Lieutenant Colonel North was going to
9 London for discussions and that the following week he was
10 arranging for up to 5 plane loads including 747s?

11 A No, that doesn't bring back any recollection.

12 Q How about any reference to a Presidential
13 Finding? Do you recall that coming up at this meeting?

14 A Nope.

15 Q Do you recall any reference being made at this
16 meeting to the release of Reverend Weir or "one plane
17 load"?

18 A Can I go off the record for a minute?

19 (A discussion was held off the record.)

20 BY MR. WOODCOCK: (Resuming)

21 Q Another reference that appears in here as part
22 of the discussion was that key players in this Iran
23 initiative were Kimche and "the private U.S. citizen
24 Interlocutor". Do you recall either of those two names
25 coming up?

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1 A No, I don't recall that coming up at that
2 meeting.

3 MS. MC NEIL: Can we go off the record at this
4 point?

5 (A discussion was held off the record.)

6 BY MR. WOODCOCK: (Resuming)

7 Q What I'm going to do first, Mr. Juchniewicz,
8 is ask you if you could summarize your collective memory
9 of a series of meetings and if you would single out the
10 three points that you know for certain were the subjects
11 or were involved as subjects of those meetings. And I
12 believe one would be, for example, Mr. Ghorbanifar.

13 A Right. I recall that on several occasions at
14 least I and possibly others from the Directorate of
15 Operations discussed several points with DDCI. One of
16 the points that we discussed in extenso with him was Mr.
17 Ghorbanifar and our absolute abhorrence over the fact
18 that anybody in the U.S. government would deal with an
19 individual with a reputation of Mr. Ghorbanifar.

20 Number two, I registered my dismay over the
21 fact that the Israelis were selling arms to the Iranians.
22 And I said that this went absolutely at cross purposes
23 with U.S. policy
24 [REDACTED]
25 [REDACTED] I

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1 said it was just absolutely the inconceivable that the
2 U.S. government would stand for something like that.

3 The other point I remember discussing was the
4 deliberation of possible sale of arms by the U.S.
5 government to the Iranians. And I found this totally
6 inconsistent with U.S. policy at the time and reflected
7 that to Mr. McMahon and I heard from Mr. McMahon in
8 subsequent conversations that he reflected these very
9 same views to the Director.

10 Q Now, let me back up to the December 5th
11 meeting. I gather from your recollection these three
12 topics that you just described: Ghorbanifar, the Israeli
13 sale to Iran, and the possibility of U.S. sales to Iran
14 may have arisen at this meeting but you don't have a
15 specific recollection that they did? Is that correct?

16 A That's true.

17 Q And I gather it is also your recollection that
18 it is possible that these topics were not raised at this
19 meeting but were raised at some subsequent meeting
20 instead, is that correct?

21 A Yes, that is correct. But definitely they
22 were raised in my mind with the DDCI.

23 Q Okay. Let me ask you a different question
24 with respect to these three topics. Do you recall
25 briefing the DDCI for a Saturday meeting in this time

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1 frame?

2 A Yes.

3 Q And with respect to that briefing whenever it
4 may have occurred do you recall that these three topics
5 were raised?

6 A Yes.

7 Q Now let me ask you to see if you can recall
8 whether this information which you brought to the DDCI's
9 attention whether you got any information back from him
10 as to whether he had presented these views to a higher
11 authority and whether there was any reaction to the
12 presentation of these views.

13 A My recollection is that Mr. McMahon was
14 equally incensed over all these items and that he had
15 mentioned to me that he had discussed these very freely
16 with the Director and his own reservations and concerns.

17 Q Now, did he tell you whether or what the
18 Director's reaction was to his sharing this information?

19 A He did not.

20 Q Do you have any understanding as to the rough
21 time period of this exchange between you and Mr. McMahon.

22 A Yes. I would say anytime from the latter part
23 of November through December of '85.

24 Q Now, were you aware at all that in December of
25 1985 that arrangements were being made and, in fact,

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1 ultimately were consummated, that resulted in a meeting
2 between Mr. Ghorbanifar and Robert McFarlane?

3 A I knew that the arrangements -- I was aware of
4 the fact that such arrangements were being made.

5 Q How did that come to your attention?

6 A Well, again I'm not terribly sure but I
7 believe that they were mentioned to me by Mr. McMahon.

8 Q Now would this information being imparted to
9 you by Mr. McMahon have been the occasion for another
10 opportunity for you to express your view of Mr.
11 Ghorbanifar?

12 A Yes, but, my feeling was that John was
13 perfectly aware of what my views were and they were
14 shared by him. So, you know, it was something that we
15 didn't really have to dwell on.

16 Q Did you have an understanding as to whether or
17 what the purpose was for Mr. McFarlane to go and visit
18 with Mr. Ghorbanifar.

19 A Yeah, my understanding, again having been told
20 to me informally by Mr. McMahon, was that eventually Mr.
21 McFarlane would be the principal U.S. government
22 representative to talk to the Iranians in Tehran.

23 Q And this would be assuming that Mr.
24 Ghorbanifar as a middle man was able to put the United
25 States in contact with Tehran based officials.

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1 A Exactly, assuming of course that you know in
2 our minds that Ghorbanifar (a) had these contacts and (b)
3 he was able to convince them of the wisdom of meeting
4 with a senior U.S. government executive.

5 Q Now did you become aware at any point, let's
6 limit this first to the time frame of December, did you
7 become aware at any point of Mr. Ghorbanifar actually
8 coming to the United States?

9 A You know I read about that after, in other
10 words I was not aware, I don't believe I was aware at the
11 time of his coming to the United States. My impression
12 was that the meetings with Ghorbanifar were all outside
13 the U.S. But I have read in the Tower Commission Report
14 and in other reports that he came to the U.S. and was
15 administered a polygraph in the United States.

16 Q Let me separate those two events. You are
17 unaware that he came to the United States in December and
18 I gather from the way you just responded to this question
19 you were also unaware that he came to the United States
20 in January and was administered a polygraph.

21 A I cannot recall those, being aware of those
22 visits.

23 Q Do you recall any decision coming out of
24 either your branch or out of say [REDACTED] area to
25 cut off, to affirmatively cut off contact with

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1 Ghorbanifar, and let me put this in the time frame of
2 January, 1986.

3 A Let me structure this for you because the
4 dates are not clear in my mind. But I remember an
5 episode where we were in the Directorate of Operations
6 were approached by Charlie Allen. And Charlie, in
7 effect, was trying to, on behalf of Colonel North, was
8 trying to get some assistance from the Directorate to
9 have our representatives overseas meet with Ghorbanifar
10 whenever he called in. Apparently he had some method for
11 contacting Colonel North.

12 Having established this contact they wondered
13 whether one of our overseas representatives could talk to
14 Ghorbanifar and debrief him and I remember very clearly
15 Mr. George telling Charlie that the Directorate of
16 Operations would have absolutely nothing to do with Mr.
17 Ghorbanifar and that if anybody wanted to meet with
18 Ghorbanifar they were free to travel on their own to meet
19 with them, but that the Directorate of Operations would
20 play no part in it whatsoever.

21 Q Do you have any recollection as to
22 approximately the time frame of this exchange?

23 A No, I do not, but I do remember, it stands out
24 very clearly in my mind because apparently it came at a
25 point when there was a certain amount of disillusionment

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1 in Mr. Ghorbanifar by all the principals who were
2 involved at the time and it was obvious to us that what
3 they were attempting to do was to palm Mr. Ghorbanifar
4 off on us and have us, the Directorate the Operations,
5 get involved in the hand holding and we wanted no part of
6 it.

7 Q Okay. Let me back you up on that a little
8 bit. You left the Agency as of May 3, '86 and you were
9 winding down as of mid April '86. Is that correct?

10 A Right. My replacement had been designated and
11 I was already phasing out.

12 Q Now. This conversation that you have just
13 described, did it take place during that period?

14 A No. It took place earlier, my recollection
15 is.

16 Q Now. Let me try and approach this in a
17 different way. You mentioned, and I believe this was not
18 placed on the record, but let me ask you to place it on
19 the record, you mentioned at one point that you became
20 aware of information that the United States was preparing
21 to, in addition to arms, transfer intelligence to Iran.
22 Do you recall what time frame it was that you learned
23 that information?

24 A No, I can't remember the exact time frame, but
25 I would suspect it had to be within the January to March

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1 time frame, January to March 1986. And I was advised of
2 that by, I believe [REDACTED] who had actually been
3 instructed by someone to prepare such information for
4 passage to the Iranians.

5 [REDACTED] came to me and was outraged that
6 he would have been instructed to do something like that.
7 When I heard [REDACTED] story I was equally outraged and I
8 remember having a discussion with Mr. McMahon either that
9 very, same day or sometime after that to register our
10 collective objection to the preparation and passage of
11 intelligence to the Iranians.

12 Q Did he share your objection?

13 A Yes.

14 Q Do you know what steps he took to satisfy
15 himself that this was in accordance with policy?

16 A He, to my recollection Mr. McMahon discussed
17 this with the people at the NSC and voiced his objections
18 there as well.

19 Q Do you know whether he consulted with the
20 Director on it?

21 A I'm not sure. You know, somehow in my mind I
22 seem to recall the Director also being equally upset over
23 passing intelligence to the Iranians.

24 Q If that is your recollection that would have
25 been conveyed back to you from Mr. McMahon.

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1 A Yes.

2 Q Were you aware at the point that this
3 information was conveyed to you by [REDACTED] on
4 intelligence whether a presidential Finding had been
5 signed to cover this area?

6 A The passage of intelligence?

7 Q Right.

8 A Or the entire Iran episode?

9 Q Well, let's approach it, first with the
10 intelligence. Were you aware of whether a Finding would
11 have encompassed this passage of intelligence?

12 A No, I don't believe it would have encompassed
13 passing intelligence. I don't remember the exact wording
14 of the Finding because I've never seen the Finding, and,
15 you know, we had only preliminary discussions about such
16 a Finding. But my recollection is that there was nothing
17 in there specifically authorizing or calling for the
18 passage of intelligence.

19 Q Okay. Let me ask the question a little
20 differently. Were you, at the time [REDACTED] brought
21 to your attention the prospective passage of
22 intelligence, aware of whether or not a Finding did exist
23 on the subject of Iran, of the Iran initiative?

24 A I had been told by Mr. McMahon that he had
25 been assured that a Finding had been signed. And he

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1 mentioned this to me, I believe, sometime in early
2 December.

3 Q Now, let me back up to that. If your
4 recollection is that Mr. McMahon told you in early
5 December that a Finding had been signed did you have any
6 understanding as to whether that Finding was at all
7 related to the November '85 flight?

8 A I did not.

9 Q I gather that you have subsequently become
10 aware that there was a Finding signed in the middle of
11 January of '86.

12 A . January 17, yes.

13 Q Do you recall having any discussions with
14 anyone about that Finding?

15 A No. I did not have any discussions. There
16 was one aspect of the Finding that I did have, I
17 discussed I believe with several people, perhaps
18 including the general counsel, Stanley Sporkin, and the
19 discussion had to do with that part of the Finding which
20 instructed the DCI to delay the briefing of Congress.

21 Q And how did that, how did that subject arise?

22 A I think he just apprised me of the fact that
23 this was added into the Finding.

24 Q I gather then in bringing that to your
25 attention -- and that was Mr. Sporkin himself who did

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1 that?

2 A I think so.

3 Q He must have assumed that you already had some
4 understanding that there was a Finding in the works or
5 already had been signed. Is that correct?

6 A Yes he did. As you remember I was the one who
7 sent the people to brief Mr. Sporkin following my
8 conversation on I guess it was November 25th with John
9 McMahon to brief Sporkin on the background, whatever
10 knowledge we had of this whole Iranian affair to brief
11 him to see whether, to get his opinion as to whether or
12 not a Finding was necessary for any further CIA support
13 to this activity.

14 Q Right. And your recollection was that Mr.
15 McMahon told you in early December it had been signed and
16 then sometime following that you had this conversation
17 with Mr. Sporkin where he added for your information I
18 gather that it contained a "no notice" provision in it.

19 A Exactly. The discussion that I had had at
20 some point with Mr. McMahon went even further. In other
21 words, he had been given assurances by the NSC that the
22 Finding had been signed in December sometime.

23 Q Did he tell you where he got those assurance
24 from?

25 A Yeah. He said at a meeting that he had down

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1 at the NSC.

2 Q He didn't identify who it was who provided the
3 assurances, is that correct?

4 A No, he did not.

5 Q Turn back to your discussion here with Clair
6 George and Charlie Allen. Were you present at that?

7 A No, I was not.

8 Q How did you happen to learn of it?

9 A Mr. George told me.

10 Q And to your best recollection that
11 conversation would have occurred sometime January to March
12 of '86. Is that correct?

13 A Yes. And it was at a point as I said before
14 where there were becoming a bit dissolutioned with
15 Ghorbanifar for some reason. He had either (a) dropped
16 out of contact for a given period of time or he had
17 failed to deliver on some of his promises. And the sense
18 I had at that time was that people were beginning to back
19 away from Ghorbanifar to a certain extent.

20 Q And what purpose was to be served by allowing
21 Mr. Ghorbanifar to talk to foreign agency contacts?

22 A Just simply that, to give him a channel to
23 continue his contact with the U.S. government.

24 Q Other than his current channel?

25 A Other than his current channel.

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1 Q Did you have any understanding as to what his
2 current channel was at that point with the U.S.
3 government?

4 A My understanding is his existing channel up to
5 that point had been Colonel North and Charlie Allen.

6 Q Now with respect to -- let me focus first on
7 Charlie Allen. What did you understand was the character
8 of Ghorbanifar's channel, if you will, with Charlie
9 Allen?

10 A I don't know whether he had direct access or
11 direct contact with Charlie Allen. The impression that I
12 had, and this is only an impression, I don't know for a
13 fact, the impression was that through his, whatever kind
14 of accommodations he had, he would contact Colonel North
15 or his intermediary and Colonel North would then contact
16 Charlie and try to arrange for either Charlie or someone
17 else to meet with Ghorbanifar.

18 Q Did you have an understanding as to whether
19 Charlie Allen was part of the operation at this point,
20 part of the Ghorbanifar initiative?

21 A My understanding was that he certainly had
22 first-hand dealing with Ghorbanifar and obviously must
23 have known something.

24 Q Did you have any understanding as to how it
25 was that he became the one that was dealing with

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1 Ghorbanifar?

2 A No, I did not. I don't know how that all
3 happened, but my sense was that Colonel North was very
4 comfortable with Mr. Allen and they had a very good
5 working relationship. And Charlie, of course, dealt with
6 the whole issue of counterterrorism for the agency and
7 therefore should have been very instrumental in any of
8 these activities having to do with counterterrorism,
9 hostages, and so forth.

10 Q You would believe that would cover not just
11 intelligence but also active participation in the hostage
12 release plan?

13 A Well active participation to the extent that
14 he offered his expert advice.

15 Q How about acting as an intermediary between
16 North and Ghorbanifar? Would that still be in keeping
17 with his role?

18 A Well, I think that perhaps Colonel North saw
19 that as an opportunity to use someone who was, after all,
20 somewhat of a professional and someone who would be aware
21 of whatever information that was flowing into the agency
22 on the whole Iranian question, on Iran generally.

23 Q Did you ever discuss this initiative with
24 Charlie Allen?

25 A No, I never did discuss it with Charlie Allen.

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1 To be perfectly honest, we were trying to distance
2 ourselves from Mr. Ghorbanifar and anyone that had
3 anything to do with Mr. Ghorabanifar.

4 Q You are talking about the Director of
5 : Operations? Is that right?

6 A Yes.

7 Q And when you ^{say} ~~we~~ that would include Clair
8 George?

9 A That would include Clair George. That was
10 Clair's policy.

11 Q So Clair George's policy was to limit contact
12 with Ghorbanifar or not have any at all?

13 A Not have any at all. But between any
14 Directorate of Operations people and Ghorbanifar.

15 Q Now was that a policy that was expressed
16 Directorate-wide?

17 A Well, it was certainly expressed to anyone who
18 might have had occasion to deal with Mr. Ghorbanifar.

19 Q Would it apply to [REDACTED]

20 A Yes it would.

21 Q And also to [REDACTED]

22 A Yes.

23 Q Did you ever come across, either through Mr.
24 George or Charles Allen, or otherwise, the information
25 that Charles Allen met with Ghorbanifar in late January?

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1 A Yes. I don't recall exactly how but, yes, I
2 remember someone telling me that Charles Allen had met,
3 not only in January but on other occasions with Mr.
4 Ghorbanifar. But I don't know the substance of or the
5 location of the meetings, the substance of conversations
6 they had, or anything.

7 Q Were you aware that in February of 1986 the
8 United States began the process of selling arms directly
9 to Iran?

10 A I wasn't aware at the time, no.

11 Q When did you become aware of that?

12 A Well I'm not sure. Really and honestly I am
13 not sure.

14 Q Do you recall whether when you learned it it
15 had already occurred?

16 A Yes. It was, I had of course read a lot in
17 the press after my retirement but my recollection was
18 that it was confirmed to me when we had a meeting at the
19 agency when I went back into the agency to review certain
20 files before I gave testimony to the SSCI. And I
21 remember on that occasion having been told point blank
22 that the agency was advised [REDACTED] of
23 the actual content of that November 25th flight. Now I
24 realize I'm confusing that a little bit with what you've
25 asked.

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1 But I did not know at the time when I was at
2 the agency that we actually got into the exchange and
3 sale of arms.

4 Q That was not till after you left the agency?

5 A I believe so.

6 Q Let me ask you a different question. When you
7 were still --

8 A Although I notice from that memo that that was
9 -- [REDACTED] seems to think that that was a subject of some
10 discussion at that December meeting, so that would take
11 it back to December 5th when [REDACTED] was talking about 5
12 plane loads.

13 Q I think the memorandum and I think for the
14 record the witness is referring again to what has been
15 previously identified as CIIN 11 also bearing Senate
16 Identifier of I 0395 through I 0398. In that memorandum
17 there is a reference to prospective flights of up to 5
18 plane loads.

19 A Yes. I can't remember exactly when I learned
20 that there would be a sale of weapons, although I do
21 recall knowing that on the flight that McFarlane was to
22 take to Iran there would be some military equipment on
23 that flight. Now I don't know how I know that but
24 obviously someone told me.

25 Q Let me back up a little bit and try and divide

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1 these into some segments. Let me try and place you back
2 in time to February of 1986. Were you aware and let me
3 speak of contemporaneous knowledge, were you
4 contemporaneously aware that in that month [REDACTED]
5 traveled to meet with Ghorbanifar.

6 A Yes.

7 Q And did you have an understanding as to how it
8 was he was tasked at that mission?

9 A Yes. But I don't know how accurate my
10 understanding is. I think he was tapped because he
11 happened to be the deputy division chief of the NE
12 division at the time.

13 Q And when he returned to that meeting, did he
14 report to you at all?

15 A No. He did not. He reported to the Deputy
16 Director for Operations.

17 Q Now.

18 A I was never regularly briefed on anything of
19 these things because I was not part of the compartment.

20 Q I would include that this would be ad hoc as
21 well, as well as regularly scheduled briefings. Were you
22 aware and again I am speaking of contemporaneous
23 knowledge of George Cave becoming involved in this
24 matter?

25 A Yes.

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1 Q And did you have an understanding as to why it
2 was the agency brought George Cave in?

3 A Yes. My understanding was that George Cave
4 was brought in because he spoke a dialect spoken by the
5 Mullahs. And so the implication was that the contact at
6 some particular point that the alleged moderates in Iran
7 were Mullahs.

8 Q Did you know when George Cave had been brought
9 in that Albert Hakim had acted as an interpreter at one
10 of these meetings?

11 A I did not know about Mr. Hakim until well
12 after my retirement.

13 Q So that at least to your understanding the
14 involvement of George Cave in early March was unrelated
15 to Hakim acting as an interpreter?

16 A I don't follow that.

17 Q Let me ask the question differently. You've
18 testified that you did not know at the time but it has
19 later proven to be the case that at at least one meeting
20 Albert Hakim acted as an interpreter for the United
21 States side. You were not aware of that at the time?

22 A I was not.

23 Q When George Cave was brought on in early March
24 you were not made aware of any, or that his coming on
25 board was related to moving Albert Hakim out as an

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1 interpreter?

2 A No I was not.

3 Q I am going to show you three documents that
 4 bear the following identifier numbers -- CIIN 1025, CIIN
 5 1026, CIIN 1027. The companion Senate identifiers
 6 following in the same sequence, C 1466 for the first
 7 document mentioned, C 1467 for the second document
 8 mentioned for the last document mentioned Senate
 9 identifier C 1468.

10 And let me ask for the record, Mr.
 11 Juchniewicz, you have had an opportunity now, I gather,
 12 to examine these three documents, is that correct?

13 A Yes, I have.

14 Q Now, did any or all of those documents appear
 15 familiar to you.

16 A Yes. The one identified CIIN 1025 is a spot
 17 report which I believe I had read.

18 Q And that report originates from [REDACTED] is
 19 that correct?

20 A Yes it does.

21 Q Now the subject of that report and the
 22 reported is dated February 10, 1986, is that [REDACTED]
 23 [REDACTED] on February 4, 1986 is advising that he
 24 has been, he has himself been advised that Adnan
 25 Khaseggi is brokering [REDACTED]

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CIIN 1025
 HASUEN 1025

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1 [REDACTED] and that Khashoggi's main Iranian
2 contact in this matter is Manucher Ghorbanifar. Now,
3 when that information came in and you read the spot
4 report did you do anything with the information?

5 A No, I did not. But as a rule let me tell you
6 that the spot reports normally went to the Deputy
7 Director's office and the Director's office. The purpose
8 of spot reports was to bring to the attention of the
9 Directorate of Operations management and others, the
10 Deputy Director and the Director, bring them up to speed
11 on certain events that were transpiring that we thought
12 were of particular note.

13 Q Let me make sure that these terms are clear
14 for the record. When you say the Director, you mean the
15 Director of Central Intelligence.

16 A I mean the Director of Central Intelligence.
17 It would go, the reports would normally go to his special
18 assistant. And then it was up to the special assisant to
19 brief the Director or put it in his reading material, if
20 he thought it was worth flagging for the Director.

21 Q Now, this is originating from the Near East
22 division. Do you recall any action being taken on this
23 to dissminate it to people who might be involved in the
24 Iranian initiative other than normal routing?

25 A No, I do not. But bear in mind, that the

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1 people involved at that particular point were in the NE
2 division, in other words [REDACTED] was the deputy
3 chief, I think, of NE division and George Cave was
4 working under contract for NE division, but they were the
5 people involved.

6 Q You would assume by looking at the origin of
7 this that they would already be aware of this?

8 A Definitely.

9 Q Now as to these other documents, CIIN 1026 and
10 CIIN 1027, are these documents that you had seen before?

11 A I don't recall.

12 Q You don't recall seeing them before?

13 A I don't recall having seen them before. But
14 obviously they do relate to that spot report and were the
15 genesis for that spot report.

16 Q Do you recall having any discussions with
17 anybody about this [REDACTED] deal and whether it
18 bore any relationship or pertinence to the Iranian
19 initiatives and our contacts with Manucher Ghorbanifar?

20 A No, I do not.

21 Q In your view, I'm just asking for your opinion
22 at this point having viewed this document, would this
23 have been a further cause of concern on your part for
24 dealing with Manucher Ghorbanifar?

25 A It would be just a further reflection of the

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1 kind of individual Ghorbanifar is. Namely a broker who
2 would sell anything to anybody.

3 Q Now I gather that you became aware at some
4 point that [REDACTED] had become more actively involved
5 in this Iranian initiative. Is that right?

6 A I became aware that [REDACTED] had been
7 designated as Directorate of Operations person to, I
8 don't how to properly put this, to be in touch with
9 Colonel North.

10 Q Was that done through Clair George?

11 A Yes, it was done through Clair George.

12 Q So this was an exception to his rule that the
13 Directorate of Operations would not have anything to do
14 with Ghorbanifar?

15 A Right. I should have made clear when I
16 mentioned that other thing to you was that obviously that
17 pertained, the kind of injunction against having any
18 Directorate of Operations people involved with
19 Ghorbanifar pertained only up to the point when we were
20 asked the Directorate of Operations was obviously asked
21 to take a more active role in this entire thing. At
22 which point I would suspect that Clair had to modify his
23 order.

24 Q Do you know where that request came from?

25 A I do not.

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1 Q You don't know whether it came from the
2 Director or from NSC?

3 A No. But I mean if I were to speculate it came
4 from the NSC to the Director on down to Clair.

5 Q So that I gather to the extent that [REDACTED]
6 [REDACTED] and subsequently [REDACTED] became involved in
7 this matter, it was presumably an exception to Mr.
8 George's prohibition and based on some request either
9 from the Director or from NSC, would that be right?

10 A Yes. I didn't even know, by the way, that
11 [REDACTED] was involved.

12 Q That's the first you heard of that?

13 A Yes. You're the bearer of that news.

14 Q Okay. Let me then proceed to the period of
15 early March 1986. We know now, so I can put this into
16 the time frame for you, that approximately March 5th
17 George Cave was officially on board as a CIA
18 representative in the Iran initiative. When he came on
19 board he was briefed by [REDACTED] as to what [REDACTED]
20 [REDACTED] knew up to that point. Were you aware of those
21 goings on?

22 A I was not. As a matter of fact I was not aware
23 of precisely what Mr. Cave's job or responsibility was
24 going to be other than to act as an interpreter.

25 Q You had foreknowledge of his coming on?

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1 A I did not.

2 Q You did not?

3 A I have not, I did not meet Mr. Cave nor have I
4 had any conversations with Mr. Cave except the both of us
5 attended a meeting shortly before I came down to testify
6 to the SSCI. That was my first contact with Mr. Cave.

7 Q Now, did you learn, I gather then, after the
8 fact but while you were still with CIA that he had been
9 brought on board?

10 A Yes.

11 Q Were you aware that shortly after he came on
12 board that he travelled along with Lieutenant Colonel
13 North to Paris to meet with Ghorbanifar?

14 A I knew that that was the plan. Actually I
15 knew in advance that Mr. Cave was brought on board
16 specifically to accompany Colonel North and others, I
17 guess to develop some sort of an independent assessment
18 or feel of Mr. Ghorbanifar or to act as an interpreter if
19 the occasion arose.

20 Q And did you know that that comprised an
21 impending trip to Paris in particular?

22 A I did not know that in particular, but I knew
23 that it did involve travel abroad.

24 Q Now when Mr. Cave returned from that trip were
25 you made privy to any of the information that he

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1 gathered?

2 A I was not.

3 Q Did you become aware while you were still with
4 the Agency that a plan had been developed to transfer
5 spare HAWK parts to Iran?

6 A Not specifically spare HAWK parts. I mean, I
7 knew generally that they were planning to sell TOW
8 missiles but I did not know anything beyond that.

9 Q Let me kind of take two steps back here. When
10 you say that you were aware that they were planning to
11 sell TOW missiles, do you include in that a knowledge
12 that TOW missiles already had been sold in February of
13 '86?

14 A I believe so.

15 Q So that when you say, when you refer to TOW
16 missiles you are separating that from the February TOW
17 missile sales?

18 A No, I'm not separating it. I just knew
19 generally that the plan was to sell TOW missiles.

20 Now, I don't ^know in what kind of increments,
21 how many, when. I just knew that one of the items was
22 TOW missiles.

23 Q What I'm trying to do is separate what you
24 perceive to be a prospective shipment from what was a
25 post facto shipment when you made your statement earlier,

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1 coupling this in the context of the HAWK spares to your
2 understanding that TOW missiles were to be sold. Was
3 that, had the February TOWs already been sold and you
4 understood some other TOW Deal was in the offing?

5 A No. I understand what you are saying. That
6 was not the case. My understanding only at some point
7 was that TOW missiles were being considered as one of the
8 items to be sold to the Iranians.

9 Q I'm going to make an effort to try to fix this
10 in time. Did your understanding with respect to TOW
11 missiles being a possible item for sale arise in the same
12 time frame of your understanding that intelligence was
13 going to be shared with the Iranians?

14 A Yes. Possibly January-February time frame.

15 Q Now let me concentrate again on the HAWK
16 spares. You testified earlier that before you left you
17 were aware that there was a trip planned to Tehran. Were
18 you aware that Robert McFarlane was going to be the U.S.
19 representative?

20 A Yes, I was.

21 Q Now you also, I gather, had an understanding
22 that that trip would entail the delivery of at least some
23 military hardware.

24 A Yes.

25 Q Did you have any understanding as to what the

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1 nature of that hardware would be?

2 A No. I had absolutely no idea.

3 Q And I gather that -- did you have any
4 understanding that from at least the end of February-on
5 that [REDACTED] had an ongoing responsibility with
6 respect to participating in the Iran initiative?

7 A Yes, that was my understanding.

8 Q Did you have any understanding as to whether
9 he had any role in the acquisition or facilitating the
10 acquisition of armaments from the Department of Defense?

11 A That I did not know.

12 Q Did you have any understanding as to what, if
13 any, role the CIA was playing in facilitating the
14 transfer of arms to Iran?

15 A I had no idea.

16 Q Did any information during this period of time
17 come to your attention with respect to what kind of
18 purchase price was being asked?

19 A No. I had absolutely no idea about price. As
20 a matter of fact, I had no idea that money was even going
21 to be an issue. In other words, I somehow came to the
22 conclusion it was the equipment for the hostage, with no
23 money involved.

24 Q What I'm trying to get at is that -- let me
25 back up. If I'm summarizing your understanding

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1 correctly, you were operating under the assumption that
2 it was a straight swap of arms for hostages and that Iran
3 was not paying for the armaments on the side; is that
4 correct?

5 A That's right. And in none of the discussions
6 that I participated in was money ever discussed or the
7 fact that there would be a price tag on the weapons.

8 Q And now let me try and parse out some of these
9 discussions that you had. I gather these are occurring
10 on kind of an ad hoc, sporadic basis from January to the
11 time you stepped down; is that correct?

12 A Yes, exactly.

13 Q Any idea how many meetings you might have had
14 on this subject?

15 A They weren't meetings. I mean, what I am
16 recounting is conversations that could have taken place
17 in the corridor or in the men's room, for example. These
18 were not necessarily formal briefings or meetings in
19 which I received this information. As I mentioned
20 before, not being part of the group of those fully
21 briefed on what was happening, I got my information in
22 bits and pieces from people who were just sharing
23 whatever they had with me on occasion.

24 Q And this, I gather, would have been based on
25 your initial understanding that an initiative was afoot?

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1 A Exactly.

2 Q So that people felt that they could talk to
3 you because though not actively involved you had some
4 knowledge of the compartmented activity?

5 A Right.

6 Q Let me address these things to you. First,
7 let me ask you about your understanding of the state of
8 the Agency's intelligence on the fate of Bill Buckley.
9 Do you know when it was that the Agency understood Bill
10 Buckley had in fact died?

11 A

12

13

14

15 I was
16 convinced that that photograph that subsequently appeared
17 in the press of the person, the corpse wrapped in a
18 blanket, like I don't know who released the photograph,
19 but I was convinced that photograph was Buckley.

20 Q And was that released in connection with the
21 threatened execution of Buckley following the Israeli air
22 strike on Tripoli?

23 A No, I don't know exactly, but it seemed to me
24 that the captors released several photographs, and in the
25 process had this figure wrapped in a blanket or a straw
mat. I can't recall exactly why they released it, but it

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1 was obviously released by the captors and appeared in a
2 Beirut newspaper.

3 Q Were you aware that in the early stages of the
4 Iran initiative that there were efforts afoot to bring
5 Bill Buckley back, it was hoped, still alive?

6 A I mean, I know -- I'm aware of the fact that
7 there were initiatives to try to gain the release of all
8 the hostages, but I'm not aware of anything specifically
9 addressing Bill Buckley and getting Bill Buckley back
10 alone.

11 Q And that would apply to your understanding of
12 the early stages of the Ghorbanifar initiative that, at
13 least, from the point where you became aware of it, Bill
14 Buckley was not -- bringing him alone alive back to the
15 United States was not a part of it?

16 A It was not. As a matter of fact, my early
17 understanding of Ghorbanifar was not necessarily that he
18 would be instrumental personally in any way in gaining
19 the release of the hostages.

20 Q What was your understanding of Ghorbanifar's
21 possibly intermediary role?

22 A Well, Ghorbanifar allegedly was connected to
23 the certain elements in Iran and it was not even clear
24 from these alleged collections of his that these people
25 were in any position whatsoever to exert any influence on

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1 the hostageholders in Lebanon. And I don't even know
2 whether that was one of the stated, early stated
3 objectives of Ghorbanifar to try to gain the release.

4 Obviously this was a very natural thing for
5 him to do, to try to sell the notion that he could get
6 the release of the hostages, but quite honestly I never
7 believed that.

8 Q In your tenure with the Agency did you ever
9 come across any information that
10 [REDACTED]

11 A No. This is the first I've heard of that.

12 Q In the Tower Report the Director of Central
13 Intelligence is quoted at one point as saying that in the
14 course of a meeting with the President and other Cabinet
15 officers that "I did state that there was historical
16 precedent for this and that it was always the rationale
17 the Israelis had given us for arms to Iran."

18 Do you have any idea as to what he was talking
19 about, about a historical precedent for Israel providing
20 arms to Iran?

21 A No, I do not.

22 Q In your encounters with other Agency people at
23 briefings, formal and informal, on the Iran initiative
24 did you receive any understanding as to whether Israel
25 was playing a role in this and what that role might be?

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1 A You know, I can't be certain. I know I have
2 read an awful lot after the fact, after my retirement,
3 which clearly indicates the extent of the Israeli
4 involvement.

5 Q I gather you can't separate what you knew
6 after the fact or after your separation from the Agency
7 from what you might have known while you were with the
8 Agency? Is that correct?

9 A Yes. I believe I do have a recollection
10 somehow that Mr. Kimche was involved or had been involved
11 during my service, but again I don't know the context or
12 anything.

13 Q Do you recall while you were with the Agency
14 having any understanding as to whether Ghorbanifar had a
15 relationship with Israeli intelligence?

16 A I did not, no.

17 Q Again, during your tenure with the Agency were
18 you privy to any information of an initiative involving
19 the Drug Enforcement Administration to pay ransom to
20 receive or to release any hostages from Lebanon?

21 A No, not the Drug Enforcement Administration.
22 But I was aware of an effort on the part of the NSC to
23 use a Drug Enforcement Agency informant as a go-between

24 Q Do you recall when it was that you would have
25 known that?

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1 A Oh, God, no, I don't.

2 Q How did that information come to you?

3 A The information came to us because I believe
4 we were asked to trace the informant and in the process
5 of providing -- and I'm not even sure that we have any
6 information in our files -- but in the process we did
7 learn that the individual was being considered because he
8 also alleged to have some connection with Lebanon, with
9 people that might possibly have been involved with the
10 abduction of the Americans.

11 Q Were you yourself involved in that at all?

12 A I was not.

13 Q You simply received information on it
14 periodically?

15 A Yes.

16 Q Now, while you were with the Agency did you
17 become aware of the involvement or any role whatsoever in
18 this Iran initiative of Roy Furmark?

19 A No.

20 Q Did you know who he was?

21 A I did not know who he was.

22 Q So that name didn't come to you till after you
23 left the Agency; is that correct?

24 A Yes.

25 Q How about John Shaheen? Had you heard that

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1 name while you were with the Agency?

2 A I did hear John Shaheen and I heard it within
3 the context of Shaheen being an acquaintance of Director
4 Casey.

5 Q Did you ever come across information while you
6 were in the Agency that connected John Shaheen to Cyrus
7 Hashemi?

8 A Yes, I believe I did.

9 Q Do you recall how that came to your attention?

10 A No, I don't. I do not.

11 Q Do you recall what the information might have
12 been?

13 A No, I don't know what the context is.

14 MR. WOODCOCK: Let's go off the record.

15 (A discussion was held off the record.)

16 BY MR. WOODCOCK: (Resuming)

17 Q I am showing Mr. Juchniewicz once again
18 document number CIIN 1033, Senate identifier C-1476.
19 First let me ask you for the record if you recall ever
20 having seen that document before.

21 A No, I don't recall having seen this document
22 before.

23 Q That document begins with a salutation to an
24 individual by the name of Arnie. Do you have any idea
25 who that might have been?

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1 A No, I do not. The only Arnie I know is Arnie
2 Donoghue over at State, who -- is that Arnie Donoghue?
3 He is an officer at State and I think he has been
4 appointed Ambassador to Pakistan, if I'm not mistaken.

5 Q This --

6 A Oh, that's ARNIE Raful. I'm sorry. No, I
7 don't know who that Arnie could refer to.

8 Q This document refers to the -- starts out with
9 a reference to an update on Hashemi escapade dated July
10 11, 1985. Do you have any idea as to what the Hashemi
11 escapade might have been?

12 A No, I do not.

13 Q Let me turn to an entirely different subject.
14 This is the matter of Central America. I have here a
15 document that bears the number, identifier number CIIN
16 778. It has a Senate identifier C-0894. Let me show
17 that to you and ask you to take a moment to read that, if
18 you would.

19 (Pause.)

20 Mr. Juchniewicz, have you had an opportunity
21 to review this document?

22 A Yes, I have.

23 Q That document was generated in 1984 and it
24 refers to, among other things, a suggestion that while a
25 Congressional delegation is visiting, I believe it is,

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1 [REDACTED] that certain planes be kept flying aloft until
2 perhaps the delegation disappears. Do you recall that
3 cable coming through your office at all?

4 A No, I do not recall this cable, but I think I
5 do recall the incident -- not the incident but the
6 situation. The situation has to do with, I believe, an
7 attempt by a Congressional committee to investigate the
8 use of funds for modifications done [REDACTED]
9 [REDACTED] I remember being at a hearing when this entire
10 issue was raised.

11 In other words, what apparently had been done
12 there was a drainage problem [REDACTED] and some
13 construction had taken place to rectify the problem
14 because there was a certain amount of erosion [REDACTED]
15 [REDACTED] and there was an attempt made to determine whether
16 or not this was in violation of any of the injunctions
17 placed on the Agency for expenditure of funds, and I
18 think it was subsequently determined that it was not.

19 And I believe there were members of the CODEL
20 going down who were not privy to the Central American
21 program and I believe that was behind the effort to not
22 show any sort of an Agency presence [REDACTED]
23 while this particular delegation was there.

24 Q What was the risk posed by making them
25 knowledgeable of that?

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1 A Oh, I don't know exactly, but I would suspect
2 making them knowledgeable of certain aspects of the
3 Central American program which were briefed to the
4 appropriate members of the oversight committee but not to
5 others, and our contention has always been it's up to the
6 oversight committees to brief other Members of Congress.

7 Q Do you have any idea what the reference to
8 important drops scheduled for Friday means?

9 A No, I don't recall offhand.

10 Q Do you think you might have known at one time?

11 A I would suspect, to be perfectly serious.

12 Q Mr. Juchniewicz, we have received in our
13 materials a PROF message referring to -- and this was
14 received from the Agency -- referring to lethal drops
15 scheduled [REDACTED] in August of 1985. Do you
16 have any knowledge of that?

17 A I may have at the time, but I certainly can't
18 recall it now.

19 Q What was your understanding at the time as to
20 whether the Agency could have participated in such an
21 endeavor?

22 A My understanding is that the Agency could not.

23 Q Let me show you a series of cables and what
24 I'd like you to give attention to is to whether these
25 were cables that you might have seen or might have been

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1 brought to the Directorate of Operation's attention in
2 the course of the November 1985 flight, which we now all
3 know contained HAWK missiles.

4 The first cable that I'm going to show you is
5 dated November 22, 1985. It bears an identifier at the
6 top of 86-4068F. It also has on the right-hand margin
7 the Senate identifier of I-0299. Let me just show you
8 that and see if that is a cable that would have come to
9 your office of the Directorate's office.

10 A I do recall having been either advised or
11 actually having seen that particular cable.

12 Q Now again let me go through the same exercise
13 --

14 A And Copp was subsequently identified to me as
15 being the alias used by General Secord.

16 Q Did you come by that information
17 contemporaneously with the ongoing operation, or after
18 the fact?

19 A After the fact.

20 Q Let me have you do the same thing with this
21 cable, which bears the Senate identifier I-0300. It is
22 again November 22, 1985, and it has an identifier on top
23 which is 86-4068F.

24 MS. MC NEIL: Can we ask again just for a
25 minute for the records, since there are no CIIN numbers

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1 referenced, when we obtained these documents?

2 BY MR. WOODCOCK: (Resuming)

3 Q These are obtained from the Select Committee
4 on Intelligence. I believe that these documents were
5 brought to the Select Committee on Intelligence by Duane
6 Clarridge when he appeared before the Committee and
7 testified in 1986. Do you recall having seen that
8 document?

9 A I do not recall having seen that document, but
10 I do recall having been told something about that
11 episode.

12 Q Question, if I may. Do you recall information
13 coming in by way of cable that describe the difficulties,
14 precisely what the difficulties were that were being
15 encountered [REDACTED] to get clearance for this flight?

16 A The difficulties, as I recall, was the
17 approval [REDACTED] for the either
18 landing or refueling or overflight.

19 Q Now, did you come by that information through
20 this cable traffic?

21 A Yes.

22 Q While you were at the Agency on November 22
23 and November 23 is it fair to say that to the extent you
24 were physically present at the Agency you were seeing
25 cable traffic as it came in?

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1 A Certain cable traffic that was pulled for us
2 by our staff aides.

3 Q And then you did see cable traffic relating to
4 this particular effort to gain landing rights for the --

5 A I do recall having seen some of the cable
6 traffic [REDACTED] at that time.

7 Q Now, do you recall seeing any cable traffic
8 coming in [REDACTED]

9 A I do not.

10 Q As a matter of record, a cable was crated [REDACTED]
11 [REDACTED] which among other things referred to a
12 conversation between the pilot of the aircraft and
13 [REDACTED] wherein the pilot speculated
14 that he was carrying military hardware. I gather you did
15 not have contemporaneous knowledge of that.

16 A Did not, no. But I heard about that
17 afterwards.

18 Q Did you hear about it shortly afterwards or
19 was it a long time?

20 A It was a little while afterwards. I don't
21 recall exactly how long after.

22 Q Let me show you -- for the record, this is a
23 cable dated November 25, 1985. There is a Senate
24 identifier, 1I-0436. And let me just ask you to review
25 this cable and ask you whether you've ever seen that

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1 before. This cable, I gather, is one you have not seen
2 before.

3 A I don't recall having seen that cable.

4 Q And that cable does contain within it the
5 exchange between [REDACTED] and the pilot where the
6 pilot speculated he was carrying armaments. Do you
7 recall that observation at all becoming a subject of
8 discussion on November 25?

9 A No, I do not recall it being a subject of
10 discussion then, but, as I said, it was a subject of
11 discussion afterwards. But again I can't recall exactly
12 how long afterward it was a discussion.

13 Q Let me bring you back to Saturday, which would
14 have been November 23. You were at the Agency at the
15 time. Do you recall Charlie Allen also being at the
16 Agency?

17 A I have no idea whether he was or was not on
18 that day.

19 Q Do you recall Duane Clarridge being at the
20 Agency on Saturday?

21 A No, I would have no way of knowing. In other
22 words, I was on the seventh floor and pretty much
23 confined to my office as the only one being there, and
24 whether or not those people were in or out would be hard
25 for me to determine.

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1 Q Now let's assume as a hypothetical matter that
2 Duane Clarridge is in the office working on this very
3 same matter -- that is, facilitating the flight of this
4 aircraft. Under those circumstances would he have come
5 to your attention?

6 A Not necessarily. I mean, he would consult or
7 call if he felt he had something he wanted to discuss
8 with us. And if he had nothing which he wished to bring
9 to our attention he could be in all day Saturday and we
10 would never know he was there. And likewise, if we had
11 nothing to talk to him about we would never have occasion
12 to know whether he was around or not.

13 Q Some of this cable traffic is coming in on the
14 23rd and presumably you are seeing some of it as it comes
15 in; is that correct?

16 A Seeing that the scanner, our scanner should be
17 seeing some of it.

18 Q That's not prompting you, I gather, to go down
19 and seek him out?

20 A No, it did not, either because I did not see
21 it or was briefed on it.

22 Q Have you ever had a discussion with Charlie
23 Allen about this particular flight?

24 A No. The only time I heard anything from
25 Charlie Allen about this particular flight was shortly

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1 before I came down to give testimony to the SSCI.

2 Q Did he tell you at that time that he was in
3 headquarters over that Saturday?

4 A No, he did not, because it was part of a
5 larger meeting and that was ^{not} discussed at all. In other
6 words, the only thing that was discussed was the fact
7 that they had been able to determine exactly -- yes, he
8 mentioned it -- it was only on January 13th, according to
9 his recollection that they were able to determine exactly
10 what was on that November flight.

11 Q Okay. Run that by me again, if you would.

12 A During this conversation, during this meeting
13 at which both Charlie and I participated I heard Charlie
14 mention that it was only January 13th when the Agency had
15 gotten the information from [REDACTED] who told
16 us precisely what was on that November flight.

17 Q Did he tell you that he had strong suspicions
18 before that time that it was armaments?

19 A I didn't get into that with him because we
20 were one of 12 people at this meeting.

21 Q One more question before we break up. Did you
22 ever come by any information that Richard Secord put
23 together [REDACTED] that would be useful in a
24 hostage rescue attempt?

25 A No, never. I wouldn't believe it.

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1 MR. WOODCOCK: Thank you again, Mr.
 2 Juchniewicz. We appreciate your willingness to come down
 3 here and make time for us.

4 (Whereupon, at 5:35 p.m., the taking of the
 5 instant deposition ceased.)

6 _____
 7 Signature of the Witness
 8 Subscribed and sworn to before me this _____ day of
 9 _____, 1987.

10 _____
 11 Notary Public
 12 My Commission Expires: _____

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Stenographic Transcript of

HEARINGS

Before the

MSIS 064 /87

UNITED STATES SENATE

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Washington, D.C.

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UNCLASSIFIED**TESTIMONY OF ROBERT WILLIAM KAGAN****Tuesday, May 12, 1987**

**U.S. Senate,
Select Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition
Washington, D.C**

Deposition of ROBERT WILLIAM KAGAN, a witness herein, called for examination by Counsel for the Senate and House Committees in the above-entitled matter, pursuant to notice, the witness being first duly sworn by JANE W. BEACH, a Notary Public in and for the District of Columbia, at the offices of the Senate Select Committee, 9th Floor, Senate Hart Office Building, at 3:05 p.m., Tuesday, May 12, 1987, the proceedings being taken down by Stenomask by JANE W. BEACH and transcribed under her direction.

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APPEARANCES:

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On behalf of the House Select Committee

~~TERRY L. BAYLOR~~

House Select Committee

Washington, D.C.

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P R O C E E D I N G S

Whereupon,

ROBERT WILLIAM KAGAN

was called as a witness by counsel for the Senate and House Select Committees and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION ON BEHALF OF SENATE COUNSEL

BY MR. SMILJANICH:

Q State your full name for the record, please.

A Robert William Kagan.

Q Spell the last name, please.

A K-a-g-a-n.

Q And your date of birth, Mr. Kagan.

A 9/26/58.

Q Mr. Kagan, this is a deposition being taken by the Senate Select Committee and House Select Committee jointly investigating the Iran contra matter. I am going to ask you a series of questions. If there is anything I ask you in which you do not understand my question, please let me know and I will be happy to rephrase my question.

First of all, what is your current title or position?

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1 A Deputy for Policy and Public Affairs in
2 the Bureau of Inter American Affairs, the State
3 Department.

4 Q Is that basically the same thing as being
5 called the Director of the Public Diplomacy Section?

6 A Being coordinator of the Office of Public
7 Diplomacy is one of my tasks in that position.

8 Q In that section, then, you are the
9 highest official in that section?

10 A The Director of the Office of Public
11 Diplomacy; that is right.

12 MR. SCHWEITZER: Mr. Smiljanich, may I
13 just interrupt? I would like to put something on
14 the record. That is, that we are appearing here
15 voluntarily and not pursuant to a subpoena, but at
16 your request that we voluntarily appear.

17 MR. SMILJANICH: That is true.

18 BY MR. SMILJANICH: (Resuming)

19 Q You are a political appointee at the
20 Department of State? Is that correct?

21 A That's right.

22 Q Would you give me a quick summary of your
23 educational background and work experience prior to
24 entering government service?

25 A I graduated from Yale University in 1940.

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1 I worked for a year at a magazine in New York called
2 The Public Interest.

3 I spent two years at Harvard's Kennedy
4 School of Government. I worked for less than a year
5 for Congressman Jack Kemp. Then I worked briefly at
6 the U.S. Information Agency before coming to the
7 State Department where I was the Chief Speechwriter
8 for Secretary of State George Shultz from about June
9 of 1984 through November of 1985.

10 Then I became Special Assistant to the
11 Assistant Secretary of State for Interamerican
12 Affairs, and in April of 1986 I became Deputy for
13 Policy and Public Affairs.

14 Q What is your degree in?

15 A It is in international affairs.

16 Q And when you became Special Assistant at
17 the Bureau of Interamerican Affairs, who was the
18 Assistant Secretary of State at the Bureau?

19 A Elliott Abrams.

20 Q And in April of 1986 then you came to
21 your current position?

22 A That's right.

23 Q What were your duties as Special
24 Assistant to Secretary Abrams?

25 A They varied. It was pretty much whatever

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1 Mr. Abrams wanted me to do, mostly focusing on
2 issues pertaining to Central America, writing
3 letters for him, occasionally drafting speeches, but
4 a variety of things.

5 Q What is the function of the Public
6 Diplomacy Section that you are currently coordinator
7 in?

8 A The Office of Public Diplomacy is
9 designed to produce information pertaining to issues
10 in Central America and U.S. policy in Central
11 America and to attempt to explain that to publics in
12 the United States, Latin America, Europe.

13 Q Who was your predecessor in that
14 position?

15 A Otto Reich.

16 Q He is currently ambassador to Venezuela,
17 I believe?

18 A That's right.

19 Q And the Office of Public Diplomacy was
20 originally not in, or within the Bureau of
21 Interamerican Affairs. Is that correct?

22 A That's right.

23 Q It was under the Secretariat?

24 A That's right.

25 Q When did it switch over to the Bureau of

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1 Interamerican Affairs?

2 A My belief is that it was simultaneous to
3 my taking over that job.

4 Q When you took over that position, the
5 office--and I am going to refer to it as LPD; those
6 are the initials that are used within the State
7 Department. Is that correct?

8 A That's right.

9 Q LPD at that time had a contract with an
10 organization called IBC. Is that correct?

11 A That's right.

12 Q And that contract was in existence at the
13 time you became coordinator and deputy?

14 A Well, the contract had been drawn up and
15 negotiated, but pending its security clearance it
16 had not been executed.

17 Q Okay. I realize that the contract is a
18 contract, and one can look at it and see exactly
19 what it says, but would you just give me, if you
20 would, just a general summary of what you understood
21 the contract to be about?

22 A The contract was basically to assist the
23 office in doing what the office does, and primarily
24 under my watch that entailed helping to distribute
25 the publications that my office produces.

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1 Q Who were the principals of IBC that you
2 dealt with?

3 A Richard Miller and Frank Gomez.

4 Q What was the term of their contract, do
5 you recall, when you inherited it?

6 A It was the fiscal year 1986 ending,
7 September 1986.

8 Q Did the contract expire in September of
9 1986?

10 A Yes, it did.

11 Q It wasn't renewed?

12 A No.

13 Q As Special Assistant to Assistant
14 Secretary Abrams, did you on occasion attend
15 meetings of the Restricted Interagency Group for
16 Latin America?

17 A Yes, I did.

18 Q That is commonly referred to as the
19 "RIG", all capital letters, R-I-G. Approximately
20 how many of the RIG meetings would you attend?
21 Could you give me a percentage?

22 A I would say 80 to 90 percent.

23 Q And this is from the time period of
24 November of 1985 to April of 1986?

25 A That's right.

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1 Q By the way, in your current position did
2 you still attend meetings of the RIG?

3 A Yes.

4 Q With the same frequency, or less?

5 A Generally the same frequency?

6 Q Has that continued through today?

7 A Well, there is now another group called
8 the IG/N, which is the special Interagency Group on
9 Nicaragua.

10 Q Is that "IG/N"?

11 A Yes.

12 Q Okay. The RIG was for Latin American,
13 but quite often dealt with Central America. Is that
14 correct?

15 A That's correct.

16 Q Would it be fair to say that in fact most
17 of the RIG meetings did concern themselves with
18 matters in Central America?

19 A I would say more than 50, 60 percent.

20 Q When Central America was the topic of the
21 RIG, first of all, who chaired the RIG?

22 A Mr. Abrams.

23 Q And when Central America was the topic of
24 the RIG, who were the usual attendees?

25 A Representatives from the National

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1 Security Council, usually Raymond Burghardt, and
2 Colonel North, and/or Colonel North. From the CIA,
3 [REDACTED] and Bob Vickers. From the Defense
4 Department, Nester Sanchez while he was still
5 employed there. From the Joint Chiefs of Staff,
6 General Moehrling, and Colonel Croaker. And from
7 the State Department, Mr. Abrams, Mr. Walker,
8 frequently Mr. Michael. Depending upon the issue,
9 it might be any of the other deputy assistant
10 secretaries and myself.

11 Q Was there anyone designated as a note
12 taker at these meetings?

13 A No.

14 Q Were notes kept, to your knowledge, of
15 the matters discussed at the RIG?

16 A I don't know of any systematic
17 notekeeping.

18 Q Did you keep notes?

19 A Not generally.

20 Q Were any minutes maintained of the RIG
21 meetings?

22 A Not that I'm aware of.

23 Q Were the meetings recorded in any way,
24 tape-recorded or otherwise?

25 A No, not that I'm aware of.

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1 Q At a typical session of the RIG dealing
2 with Central America, of all of the people you have
3 named here approximately what was the usual number
4 of people that would attend a RIG on Central
5 America, understanding it would fluctuate.

6 A I would say 8 to 10, 8 to 12.

7 Q What was the function of the RIG?

8 A I would say it was part informational for
9 the various agencies, and partly a consensus-
10 reaching group.

11 Q Would it be fair to say that the RIG
12 would deal with day-to-day foreign policy in Central
13 America?

14 A I would say it was a little broader than
15 that, since it did not meet on a daily basis, but
16 pretty current, yes.

17 Q In other words, it did deal with policy
18 matters and come to conclusions and make decisions
19 with regard to implementation of broad foreign
20 policy on Central America?

21 A It did--I wouldn't say it came to
22 decisions systematically.

23 Q And it worked on a consensus basis?

24 A That's right.

25 Q If a consensus couldn't be reached, it

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1 would have to be kicked up to the next level? Is
2 that right?

3 A That's my understanding, yes.

4 Q Now was there a smaller working group
5 within the RIG that dealt with matters involving the
6 Nicaraguan Opposition?

7 A I wouldn't say so, specifically. There
8 were meetings occasionally of a smaller number, but
9 those meetings might cover other issues in Central
10 America as well.

11 Q Well, then, striking the limitation of
12 dealing with the Nicaraguan Opposition, was there
13 then generally just a smaller working group of the
14 RIG?

15 A There were meetings of what might be
16 referred to as a "pink-RIG," yes.

17 Q And I believe you--well, earlier today I
18 had an opportunity to go through some of the notes
19 that you provided. I noticed in there that in fact
20 there was one reference to a term that you had used
21 during our interviews some weeks ago, the
22 "RIGlette."

23 A Not a formal term.

24 Q I understand. The R-I-G-l-e-t-t-e.

25 A Not a formal term.

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1 Q I understand. The RIGlette was not a
2 formal organizational construct within the ARA, but
3 there was in fact a smaller working group that had
4 some kind of an informal identity, as such. Is that
5 right?

6 A I would say so, yes.

7 Q And who were the members of this smaller
8 working group, or RIGlette?

9 A As I recall it, it was Mr. Abrams, Mr.
10 Walker, again it might have been Mr. Michael on
11 occasion, [REDACTED] and/or Colonel North, and Mr.
12 Burghardt.

13 Q Of the two, between Colonel North and Ray
14 Burghardt, would it be fair to say that as far as
15 attendance or involvement in this mini-RIG, Colonel
16 North was the usual participant from the NSC as
17 opposed to Ray Burghardt?

18 A I would say that he was more frequently
19 in attendance.

20 Q And would it also be fair to say that
21 there were several times when the mini-RIG got
22 together that there were in fact just the three in
23 attendance, Abrams, [REDACTED] and North?

24 A I can't speak to that, because I wasn't
25 obviously at those meetings. It's possible that

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1 those meetings took place, but I'm not aware of them
2 on a systematic basis.

3 Q Did this smaller working group meet with
4 any frequency during the time period from November
5 of 1985 to April of 1986?

6 A You're not talking about the three now;
7 you're talking about the larger?

8 Q No, I'm talking about the smaller working
9 group.

10 A Just Abrams, [REDACTED] and North?

11 Q Well, perhaps one of two others in
12 addition to that.

13 A Well, the group that I described to you
14 met fairly frequently in that period.

15 Q My question though is, with regard to
16 this mini-RIG.

17 A Yes, I'm sorry. You've distinguished
18 between what I referred to and described as the
19 mini-RIG or RIG-lette, and a meeting between [REDACTED]
20 North, and Abrams that I am not speaking to.

21 Q I understand. Let me drop that
22 distinction--

23 A Fine.

24 Q --and just deal with the mini-RIG that
25 you described which would include Secretary Abrams,

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1 sometimes William Walker--

2 A Right.

3 Q --sometimes Jim Michael.

4 A Okay.

5 Q It would usually include [REDACTED] and
6 would usually include Colonel North, although there
7 were times it could have Ray Burghardt in
8 substitution for Colonel North.

9 A Right. Now what was the question?

10 Q The question is, did that mini-RIG meet
11 with some frequency during the time period of
12 November of 1985 to April of 1986?

13 A Less frequently than the RIG, but it was
14 a regular occurrence.

15 Q Would it be fair to say that it met
16 anywhere from two to four times a month?

17 A Yes.

18 Q Did Secretary Abrams ever describe for
19 you or discuss with you any of the topics that were
20 discussed at a mini-RIG meeting?

21 A One in which I was not in attendance?

22 Q Yes.

23 A No. Well, not that I can recall.

24 Q Well, let me ask it this way then: You
25 were his special assistant during that time period?

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1 A Part of that time period.

2 Q Well, I'm specifically talking about
3 November of 1985 to April of 1986.

4 A Oh, okay.

5 Q During that time period, were there
6 matters that to your knowledge Secretary Abrams was
7 not sharing with you that were being discussed at
8 the RIG?

9 A That were being discussed at the RIG?

10 Q At the mini-RIG.

11 A At the mini-RIG at which I was not in
12 attendance?

13 Q Yes.

14 A I can't tell you--how would I know
15 whether he was not sharing something with me?

16 Q Well, did you ever get the impression
17 that matters at the mini-RIG were so tightly held
18 that it was not being shared with you, Secretary
19 Abrams' Special Assistant?

20 A I would say that if I was not invited to
21 a meeting, that my assumption at the time was that
22 there were things being discussed at the meeting
23 which I was not intended to know about.

24 Q How many meetings of the mini-RIG did you
25 attend?

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1 A I really couldn't say, but I would say on
2 the average of two a month.

3 Q Okay. What topics were discussed at the
4 mini-RIG during the times you were in attendance?

5 A The topics that I recall, frequently the
6 subject was the upcoming Congressional votes on
7 contra aid, and on the issue of the contras
8 specifically I recall meetings discussing the issues
9 of contra leadership and factual disputes within the
10 contra leadership.

11 Q Did any of the meetings of the mini-RIG
12 that you attended deal with problems of supply to
13 the contras?

14 A I don't remember that in that time period
15 that you're discussing.

16 Q Was there another time period that you do
17 recall such discussions?

18 A I recall discussions later I think in the
19 summer of 1986 about shortages that the contras were
20 going to be facing.

21 Q Tell me about those discussions.

22 A Well, generally it was the time at which
23 the humanitarian assistance money was running out,
24 and in the expectation that ultimately Congress
25 would vote aid there were discussions about the fact

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1 that the contras would be running out of the
2 humanitarian supplies in that period.

3 Q Were any conclusions reached about
4 anything that could be done to alleviate the
5 situation?

6 A I don't recall conclusions, but I recall
7 discussions of going to solicit from third countries
8 humanitarian assistance.

9 Q Now we're talking about discussions at
10 meetings of what group?

11 A I can't differentiate. I mean, they
12 could have been at RIGs, or at the smaller meeting,
13 or both.

14 Q Did the discussions concerning
15 solicitation specifically limit such solicitation to
16 humanitarian aid?

17 A The discussions, the concerns were as I
18 recall them shortages of things like clothing, and
19 medicinal supplies, and food. So those were the
20 shortages that I recall being discussed as a problem
21 that needed to be dealt with.

22 Q At any time that you're aware of, did any
23 of the RIG meetings discuss government assistance to
24 private groups who were aiding the contras?

25 A No.

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1 Q Did any of the RIG meetings, to your
2 knowledge, ever discuss the provision or the
3 assistance--strike that.

4 Did they ever discuss military supply to
5 the contras?

6 A Not that I recall.

7 Q Did you ever discuss either of those two
8 topics with Secretary Abrams during the time that
9 you were Special Assistant?

10 A Either of what two topics?

11 Q Government assistance to the private
12 groups, or military supply to the contras?

13 A No, not that I recall. No.

14 Q When did you first become aware of the
15 existence of a secret air field [REDACTED]

16 A I must say, at the time that I became
17 aware of it, I didn't know whether it was a secret
18 air field or not a secret air field; but I can't
19 remember exactly. I believe it was late--you will
20 know better than I do, but late summer or early fall
21 of 1986.

22 Q Are you talking about the press
23 conference issue that came up--

24 A That's right.

25 Q --in September of 1986?

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1 A That's right.

2 Q That was when you first became aware of

3 it?

4 A That's right.

5 Q When solicitation, or the possibility of

6 solicitation from foreign countries was discussed in

7 times when you were present, were the names of

8 specific countries ever mentioned?

9 A Yes.

10 Q What countries do you recall being

11 mentioned?

12 A Well, I recall countries being mentioned

13 and then discarded as possible, but merely

14 mentioned, [REDACTED] even

15 [REDACTED] Those are the ones that I recall. But

16 as I say, some of those were discarded.

17 MR. SCHWEITZER: Excuse me one second.

18 [The Witness and Mr. Schweitzer confer.]

19 THE WITNESS: [REDACTED] may have been

20 discussed, too. It's possible.

21 BY MR. SMILJANICH: (Resuming)

22 Q Were any of these countries that you have

23 mentioned, to your knowledge, approached for a

24 specific solicitation?

25 A I have no knowledge of that.

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1 Q The information you had was each of the
2 countries you named were all eventually discarded as
3 a possibility?

4 A No, I don't know that. I know that it
5 was--I understood from Mr. Abrams that it was the
6 Secretary of State's view that countries with which
7 we had a large aid relationship should not be
8 included on that list. So I would say [REDACTED]
9 [REDACTED] there was a desire not to incur
10 an obligation with those kinds of countries.

11 But as for the others, I would say [REDACTED]
12 [REDACTED] falls into that category, too.

13 As for the others, I don't know what
14 action was taken.

15 Q You were not aware of the solicitation,
16 successful solicitation, to the Government of Brunei
17 until the matter became public sometime later?

18 A That's right.

19 Q When did you first meet Colonel North?

20 A Sometime, I would say, in December of
21 1985 or January of 1986. Sometime after I came on
22 to work on the Bureau.

23 Q You mean after you became a special
24 assistant to Secretary Abrams?

25 A That's right.

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1 Q That's the time period in which you first
2 met Colonel North?

3 A That's right.

4 Q What was the nature of your contacts with
5 him? In other words, just in a general sense?

6 A In a general sense, they were to be
7 present at the meetings he was present at.

8 Q Did you ever meet with Colonel North in
9 his office?

10 A Yes.

11 Q On how many occasions are we talking
12 about? Just a few, or several?

13 A I would say maybe 10 times, 15 times,
14 maybe less than that.

15 Q Were these at meetings in his office, or
16 one-on-one conversations with him, or mixtures of
17 the two?

18 A They were usually one-on-one
19 conversations.

20 Q And again in general, what was the nature
21 of your discussions with Colonel North in his
22 office?

23 A I would say they fall into the categories
24 of discussions of the congressional situation;
25 discussions of my area of responsibility, public

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1 diplomacy, and how White House presidential actions
2 in support of the public policy effort [sic], and I
3 also discussed with him my concerns about contra
4 leadership disputes.

5 Q Okay. Were you aware during the time
6 period that you were Secretary Abrams' Special
7 Assistant that Colonel North was involved in any way
8 in obtaining lethal aid for the contras?

9 A No, I was not.

10 Q Were you aware that Colonel North ~~was~~
11 involved in any specific fund-raising activities on
12 behalf of the contras?

13 A I was not aware of specific fund-raising
14 activities.

15 Q Did you have a general sense that Colonel
16 North was involved in such activities?

17 A I had a perception that he was either
18 involved or knew of people who were involved.

19 Q Where did you get that perception?

20 A I have been racking my brain to come up
21 with an answer to this question. I do not have an--
22 I do not know how I developed that perception.

23 Q Can you tell me if it was common
24 knowledge around the State Department or around
25 Washington that Colonel North was involved in such

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1 activities?

2 A I don't know whether it was common
3 knowledge or not.

4 Q Were you ever involved in any fundraising
5 activities on behalf of the Freedom Fighters?

6 A I'm sorry?

7 Q Ever involved in any fundraising
8 activities, yourself.

9 A No.

10 Q There were one or more occasions in which
11 functions were put together which involved Secretary
12 Abrams, I believe, perhaps giving a speech to a
13 group of potential donors. Do you know what I'm
14 talking about?

15 A No, I don't, actually.

16 Q To your knowledge, did Secretary Abrams
17 ever participate in any White House briefings for
18 potential donors?

19 A I know he participated in White House
20 briefings, but I was not aware that it was potential
21 donors.

22 Q What kind of White House briefings are
23 you knowledgeable of?

24 A There are briefings of what we call "core
25 supporters," which I considered to be mostly keeping

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1 the faithful in support of the policy; meetings that
2 were held in Room 450 at the White House where
3 people speak to groups that are already involved in
4 various different ways. But I was not aware that
5 those were fund-raising activities.

6 Q Did you participate in any of the
7 briefings that Secretary Abrams conducted at the
8 White House for these core supporters?

9 A No.

10 Q In other words, you didn't set them up,
11 or go with him and assist him in any way with them?

12 A Not during this period of time that
13 you're talking about. I recall a briefing that he
14 did in one of these rooms, but I believe it was in
15 late 1986. I'd have to go back and check the
16 calendar.

17 Q Do I understand correctly that what you
18 are saying is you do recall Secretary Abrams
19 speaking to a group of core supporters at the White
20 House one time in late 1986?

21 A Um-hmm.

22 Q What about prior to that? Do you recall
23 any others?

24 A He may have. I just don't recall them;
25 and I don't recall being involved in them.

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1 Q So the only one you can specifically
2 recall that you could talk about in any way was one
3 time in late 1986?

4 A That's right.

5 Q And how late in 1986? Can you be any
6 more specific?

7 A Just my recollection is after October.

8 Q And was this something you just knew
9 about? Or something you had some role in?

10 A It was something that I had some role in.

11 Q What was that role?

12 A Well, actually it was my deputy, Dan
13 Fisk, who was most involved in setting it up.

14 Q What do you mean by "setting it up"?
15 What exactly was done by your office, if not by you
16 personally?

17 A I'm not sure exactly what, but it was
18 some--I mean, working it out with the White House to
19 assemble this group of people to hear a speech from
20 Mr. Abrams, and Mr. Sorsano at that time.

21 Q Mister Who?

22 A Ambassador Sorsano at the National
23 Security Council now.

24 Q Could you spell that for the court
25 reporter?

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1 A S-o-r-z-a-n-o. He's now in charge of
2 Latin America for the National Security Council.
3 Now that I mention that he's involved, it may even
4 have been later than I'm talking about. It may have
5 even have been 1987.

6 Q So, I don't mean to be repetitious, but
7 other than this one incident that you have some
8 recollection of, you can't tell me about any other
9 times in which Secretary Abrams went and gave any
10 kind of a speech to a group of people at the White
11 House about contra matters?

12 A I'm sure he did other ones. I just can't
13 recall any specifically.

14 Q Go ahead.

15 A Let me just say that you've been through
16 my notes, and there is a reference to a meeting that
17 in fact never took place in my notes. I don't know
18 whether you're thinking about that or not.

19 Q No, I'm not. I'm frankly not zeroing in
20 on any particular thing.

21 A Okay.

22 Q Let me look at the notes I took here.
23 No. What is in your notes that didn't take place?

24 A There was just going to be a meeting
25 while he was in Miami. There were some people who

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1 wanted to get a briefing on the situation in Central
2 America, but it never came off. I just didn't know
3 whether you were referring to that or not.

4 Q Do you recall who those group of people
5 were?

6 A It was set up by someone named Ther
7 Rense, but I don't know who the other participants
8 were.

9 Q Did you know a man by the name of Spitz
10 Channell?

11 A Yes.

12 Q When did you first meet him?

13 A I believe it was the late summer or early
14 fall of '88.

15 Q Late summer, early fall. And in what
16 context did you meet him?

17 A I met him at a party, and then I later
18 had lunch with him.

19 Q Was this social, or business?

20 A I guess it was mostly social.

21 Q Well, tell me about the part that wasn't
22 social.

23 A Well, it wasn't social in the sense that
24 we discussed--this was after the vote, and we
25 discussed, you know, prospects for future contra aid

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1 and the general political situation. So I guess you
2 could say that was professional; but nothing in a
3 professional--I mean, there were no actions that
4 came out of the meeting, or anything like that.

5 Q What did you understand his position, or
6 role to be?

7 A I understood him to be involved in an
8 effort to put ads on television. That's basically
9 it. Having to do with Central America.

10 Q Lobbying activities, public relations in
11 connection with--

12 A I don't know what "lobbying" is, so I
13 won't say that, but they had some public relations,
14 yes.

15 Q And they concerned our foreign policy in
16 Central America vis-a-vis the Sandanistas and the
17 Freedom Fighters? Is that right?

18 A Yes.

19 Q Do you recall whether or not you were
20 aware that Mr. Channell had any organizations that he
21 was working under in performing this role?

22 A At some point I gathered that he was
23 involved in something called the National Endowment
24 for the Preservation of Liberty.

25 Q Did Mr. Channell ever ask you to do

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1 anything in connection with his work?

2 A No.

3 Q Did you offer to do anything in
4 connection with his work?

5 A No.

6 Q Did you do anything in connection with
7 his work?

8 A No.

9 Q To your knowledge, did Secretary Abrams
10 do anything for or on behalf of Mr. Channell or his
11 organization?

12 A Not to my knowledge.

13 Q Do you know whether or not Mr. Channell or
14 his organization has ever put together any large
15 fund-raisers, not at the White House, but just fund-
16 raisers in which Secretary Abrams might have come
17 and spoken to them?

18 A I'm not aware of any.

19 Q And you never did anything like that?

20 A No.

21 Q Are you aware of any secret briefings
22 that were put together or conducted on behalf of
23 supporters of the contra policy?

24 A No.

25 Q Secret briefings at the White House, for

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1 example, or things that were advertised to people at
2 secret briefings by the National Security Council or
3 other people?

4 A No.

5 Q The briefings of core supporters that you
6 talked about generally, who were these core
7 supporters? Who would they be?

8 A Oh, there's the Interamerican Security
9 Council; there's Sam Dickens and whatever his
10 organization is; I mean they could be any number of
11 people. I'm not sure how the lists were put
12 together. But Penn Campbell of Prudemka might be in
13 attendance. At the one that I recall, there were
14 journalists present, too, I believe.

15 Q Okay.

16 A Not that they were core supporters.
17 Citizens for Reagan.

18 Q Going to your notes that, as I described
19 for you before we went on the record here we are not
20 able to have copies with us today, but I took notes
21 of your notes. Let me just ask you about a couple
22 of matters.

23 First of all, there were no years
24 indicated on the notes, and it was hard to tell
25 whether we were dealing with '85 or '86.

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1 A Do you want me to tell you?

2 Q Yes.

3 A The period that you saw is about
4 September of '86 through January of '86--I mean,
5 through January of '87.

6 Q Okay. That makes sense. Because I saw a
7 reference on October 20, you had written in your
8 notes the name Hasenfus, and then you had a
9 telephone number, and underneath it it said "Ernie
10 Plagar," and then underneath it said, "don't need
11 money."

12 A I guess it matters whether it is '86 or
13 '85.

14 [Laughter.]

15 Q That's why I wanted to know if that was
16 October of '86 or October of '85. That would make a
17 big difference. October of '86. Do you recall what
18 that particular note was about?

19 A Yes. Colonel North has asked me to get
20 ahold of the telephone number of Hasenfus' lawyer to
21 see whether there was sufficient money, I guess, for
22 the legal defense fund, and I did so.

23 Q To the best of your knowledge, why would
24 Colonel North call upon you to do something like
25 that?

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1 A I don't know.

2 Q I know you can't speak for him, but can
3 you tell me, based upon your relationship with him,
4 why you the coordinator of public diplomacy at the
5 time would be the person who would want to call to
6 make contact with Mr. Hasenfus' lawyer?

7 A I think he could have called any number
8 of people. Maybe he didn't get them on the phone
9 before he got me on the phone. But since I went to
10 the Office of Central American Affairs to get that
11 information, it was not as if there was any special
12 channel.

13 Q Okay. Did you maintain any kind of
14 relationship with the various contra leaders
15 themselves?

16 A Only from a professional point of view.

17 Q That's what I meant, from a professional
18 point of view.

19 A Yes.

20 Q In what way? Just start with who you
21 would deal with on a person-to-person basis among
22 the contra leaders.

23 A Well, none of them on a very regular
24 basis; but I would say all three of the ~~leaders~~ of
25 that time: Arturo Cruz, Alfonso Robelo, and to a

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1 lesser extent Aldolfo Calero.

2 Q To a lesser extent Calero?

3 A Yes.


4 Q Why to a lesser extent Calero when he is
5 actually in some ways much more involved in UNO
6 activities?

7 A Well, it was my hope that Cruz and Robelo
8 would become more involved in the factional dispute
9 between those three. I was regarded, and rightly
10 so, as a supporter of Cruz and Robelo.

11 Q Would it be fair to say that one of the
12 major problems with contra factionalism during that
13 time period, and perhaps even to today, is trying to
14 keep the other contra factions associated with
15 Calero's group, the FDN?

16 A Yes, I would say that. I might
17 characterize them differently, but that's about
18 right.

19 Q Also, isn't it fair to say that a lot of
20 the major problems with regard to contra
21 factionalism emanated from the Southern Front groups

22 
23 A I wouldn't say so. Cruz and Robelo--
24 Robelo really didn't represent much in the way of
25 the Southern Front, and Cruz represented almost

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1 nothing in the way of fighters on any front, and I
2 was mostly concerned with the sort of political
3 relationships, not the military relationships.

4 Q Did you have any dealings with Negro
5 Chamorro?

6 A Only once when he came in to visit Mr.
7 Abrams.

8 Q Tell me about that one time that you can
9 recall, or what you can recall about it?

10 A What I can recall about it is that Negro
11 Chamorro wanted to see Mr. Abrams I believe because
12 he had seen that Cruz and Robelo and Calero saw Mr.
13 Abrams, and I think he wanted to see Mr. Abrams,
14 too. So there was just one meeting between the two
15 of them at which several people were present, and
16 since I don't speak Spanish I can't tell you exactly
17 what transpired at that meeting. But my
18 recollection is that nothing substantive did.

19 Q You don't recall whether he asked for any
20 help or assistance from Secretary Abrams?

21 A I don't recall that, but again I'm at a
22 disadvantage in not being able to speak the
23 language.

24 Q You don't speak Spanish? Is that right?

25 A No, I don't. I try to understand it, but

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1 when they talk too fast I don't get it.

2 Q Do you have any foreign language
3 proficiency?

4 A I used to. I mean, I've spoken French,
5 and Greek, and German. Spanish was the one language
6 I didn't do.

7 Q That's like me.

8 A I hope you don't release that to the
9 general public. That would be very embarrassing.

10 Q What about Eden Pastora? Did you ever
11 have any one-on-one dealings with him?

12 A No, not one-on-one, but I was in two
13 meetings with him that I can recall.

14 Q When were they?

15 A I would say August or September of 1986.

16 Q Don't ask me. I don't know.

17 A I'm asking myself, and that's the answer
18 that I'm coming up with.

19 Q Both meetings, you mean, during that same
20 time frame?

21 A Yes.

22 Q What were the meetings about?

23 A Well, Pastora was not at all part of the
24 resistance effort at that time, and we at the State
25 Department felt that it was a loss to have someone

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1 of Pastora's personality and appeal to be completely
2 uninvolvement, and we were discussing with him whether
3 he would not agree to lend his name to the effort,
4 if nothing else.

5 Q Back in March of 1986 when you were still
6 Special Assistant to Secretary Abrams, there are
7 various cables and memos concerning a problem that
8 arose when Ambassador Tambo and others met with
9 General Singlaub [REDACTED] concerning an
10 agreement that General Singlaub entered into with
11 Eden Pastora.

12 Were you at all a part of the loop, or a
13 party to any of that controversy that erupted in
14 March of '86?

15 A I had no active role in that, other than
16 to be aware that there was this issue, but I didn't
17 have any role in it.

18 Q Did you participate or attend any
19 meetings in which General Singlaub came to
20 Washington and met with Secretary Abrams?

21 A No, I wasn't.

22 Q So you've never been present at a meeting
23 where Singlaub and Secretary Abrams were talking?

24 A I've never met Mr. Singlaub.

25 Q When I was asking you about any knowledge

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1 you may have of fund-raising activities that
2 involved in any way the White House, Colonel North,
3 and I asked about Secretary Abrams, I didn't include
4 the President.

5 Were you aware of any fund-raising
6 activities or secret briefings that took place in
7 which the President talked to a group of people that
8 were potential donors to the contra cause?

9 A No.

10 Q When did you first become aware that
11 General Secord was involved in the supply network to
12 the contras in Central America?

13 A After the revelations in November.

14 Q Before that, it was not a name that you
15 associated with the contras in any way?

16 A No.

17 Q Okay, well, that may be all I have.

18 [Pause.]

19 Well, let me just ask, going back to the
20 RIG for a moment, let me just ask it this way: More
21 than one person besides you has described the fact
22 that there was an official RIG, but that there was a
23 smaller working group which primarily consisted of
24 Secretary Abrams, Colonel North, and [REDACTED]

25 Based on what you've told me so far

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1 today, I can't really tell whether you would agree
2 with that perception of not. Can you just tell me
3 whether or not you would agree with the perception
4 that there was a three-man RIG that dealt with
5 Central America?

6 A All I can say is I have a hard time
7 speaking to meetings at which I wasn't present, or
8 the regularity of such meetings. But I don't have a
9 recollection of a regular meeting like that. I
10 don't want to say that that means it didn't happen;
11 it just doesn't appear in my recollections.

12 Q Well, I would like you to drop the word
13 "regular" from your description. Not a regular
14 meeting, once a week or once every other week or
15 anything like that, but an unofficial grouping of
16 the RIG consisting of those three individuals who
17 dealt with contra matters, or tightly held matters
18 involving Central America. Did you have any such
19 perception during that time frame?

20 A That there were occasional meetings with
21 members of the RIG that I did not attend, I was
22 aware that there were meetings like that. I don't
23 know, are you trying to--I'm obviously not
24 responding--

25 Q No, all you can give me is your

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1 perception of it.

2 A I think I have pretty much characterized
3 what my recollection is.

4 Q Give me a second.

5 [Pause.]

6 Either before or after regular RIG
7 meetings of the full RIG, did you ever perceive that
8 those three individuals met together, as I say
9 either before the full RIG got together or perhaps
10 stayed around after the RIG broke up, to continue
11 discussions of Central American policy?

12 A I can recall instances where ~~that~~ did
13 happen, but I cannot say that that was a regular, to
14 my recollection, that that was a regular occurrence.

15 Q Okay. Well, let me just ask you one more
16 time then, and just give me in your own definition
17 of what you mean when you refer to a mini-RIG or a
18 RIG-lette, as mentioned once in your notes.

19 A What I'm referring to are meetings where
20 Mr. Abrams, Mr. Walker, [REDACTED] Mr. North,
21 sometimes Mr. Burghardt, and myself were present.

22 Q Of that particular grouping,
23 approximately how many times did it meet during the
24 entire time you've been at the Department of State?

25 A Well--

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1 Q If you can't give me a number, give me so
2 many times a month, an average.

3 A I would say twice a month, on average.

4 Q And that's different from what's
5 currently--there's currently a smaller grouping
6 called the IG/N--

7 A It's not smaller.

8 Q How big is the IG/N?

9 A About 15 people. You've got the Office
10 of the Legal Adviser represented--

11 [Laughter.]

12 MR. SMILJANICH: That's really all I
13 have.

14 EXAMINATION ON BEHALF OF HOUSE SELECT COMMITTEE

15 BY MR. TRAYLOR:

16 Q I just wanted to follow up on one point
17 discussed earlier. Is it fair to say that you said
18 that it was your impression that Oliver North was
19 involved in military resupply of the contras?

20 A No.

21 Q That's not fair?

22 A No.

23 Q What was your impression? I must have
24 misunderstood you.

25 A You'd have to ask me--tell me what the

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1 question was, again.

2 Q We were talking about Oliver North, and
3 Mr. Smiljanich asked you if you had any knowledge
4 that he was involved in resupply of the contras.

5 MR. SMILJANICH: My recollection is then
6 I asked you about fund-raising, and it was about
7 fund-raising that you said you had had some
8 perception.

9 THE WITNESS: That's right, but not
10 having anything to do with resupply.

11 BY MR. TRAYLOR: Resuming

12 Q Do you have any knowledge, or did you
13 have the impression that Oliver North was involved?

14 A No, I didn't.

15 EXAMINATION ON BEHALF OF SENATE SELECT COMMITTEE--
16 Resumed

17 BY MR. SMILJANICH: (Resuming)

18 Q Did you know a man by the name of Robert
19 Owen?

20 A I met him, yes.

21 Q How many times?

22 A Twice.

23 Q In what connection?

24 A I met him at a party, and we later had
25 lunch. I guess it was three times, because then I

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1 think he came to my office once.

2 Q When was this?

3 A This is again in September '86,
4 thereabouts.

5 Q During the period from October of '85
6 until about May, June, or July of '86, he and his
7 company, IDEA, had a contract with the Nicaraguan
8 Humanitarian Assistance Office. Did you know him
9 during that time frame?

10 A No.

11 Q Did you know who he was during that time
12 frame?

13 A I don't think during that time frame I
14 did. I had read at some point press accounts, or
15 press allegations about Bob Owen, but I had never
16 met him prior to September '86.

17 Q Did you ever ask Oliver North about
18 Robert Owen?

19 A No.

20 Q Did you ever hear the names--let me just
21 give you a series of names and ask you if you've
22 ever heard of any of these names, prior to the
23 eruption of the various controversies, going back to
24 the '85 through let's say October of '86 time frame,
25 if you're aware of any of these names ever come up

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1 in connection with the Nicaraguan Opposition.
 2 General Secord?
 3 A No.
 4 Q Albert Hakim.
 5 A No.
 6 Q Rafael Quintero.
 7 A No.
 8 Q Tom Clines.
 9 A No.
 10 Q Ted Shackley.
 11 A No.
 12 Q Felix Rodriguez. Did you know who Felix
 13 Rodriguez was?
 14 A No.
 15 Q Sometimes he's referred to as Max Gomez.
 16 Did you ever hear the name Max Gomez during that
 17 time frame?
 18 A No.
 19 Q Did you ever have any dealings directly
 20 with [REDACTED]
 21 A When I went on the orientation trip that
 22 I told you about in October of '86, I participated
 23 in a--I was briefed by the Country Team [REDACTED]
 24 [REDACTED]
 25 Q Included?

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1 A [REDACTED] was present. I'm not sure
2 at the time I knew his name was Thomas Castillo.

3 Q Or vice versa.

4 [Laughter.]

5 Okay, let me go back to one other thing.
6 I'm sorry. You just mentioned an orientation trip
7 you took through Central America in late 1986.

8 A Right.

9 Q What other trips have you ever taken to
10 Central America?

11 A I have made one trip, I believe in June
12 or July, to the contra camps [REDACTED]

13 Q And who accompanied you on that trip?

14 A Mr. Abrams, Mr. Armitage from the Defense
15 Department [REDACTED] Mr. Burghardt, Mr. Walker,
16 Mr. Sanchez, I believe General Moellering, and Danny
17 Wattenberg, and I don't recall any of the others.

18 MR. SMILJANICH: That's all I have.

19 MR. TRAYLOR: I don't have any questions.

20 MR. SCHWEITZER: May I speak with Mr.

21 Kagan one second?

22 MR. SMILJANICH: Sure.

23 [Pause.]

24 BY MR. SMILJANICH: (Resuming)

25 Q Okay, Mr. Kagan, after a brief recess

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1 here we have--and after we reconvened, you just told
2 me off the record about a time in September of 1986
3 in which a problem came up in connection with the
4 local UNO offices, and your role in passing a
5 message on to somebody else.

6 Would you just go ahead and repeat that
7 for us on the record?

8 A Yes. In about August or September of
9 '86, [REDACTED] the UNO Washington office,
10 which is merely their representation here in the
11 United States, informed me that they had a severe
12 financial shortage, and essentially that they needed
13 about \$25,000. I raised this with various people in
14 the Government, just alerting them to this problem,
15 and I also raised it with Colonel North who then
16 asked me to get ahold of the budget that the UNO-
17 Washington Office had prepared for itself, and an
18 account number. And I did so, and I passed that on
19 to Colonel North, and my understanding is that at
20 some time later they did receive \$25,000.

21 Q And you don't know where the \$25,000 came
22 from that they actually received?

23 A No, I don't.

24 Q When you say you got an account number,
25 do you mean the local banking account that the UNO

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1 office would maintain where funds could be deposited
2 into?

3 A [REDACTED] it was--I believe it was [REDACTED]
4 account.

5 Q But some type of banking account where
6 the funds were to be deposited?

7 A Well, I have since been told by [REDACTED]
8 [REDACTED] that it was actually his sister's account
9 number.

10 Q [REDACTED] being [REDACTED]
11 [REDACTED]

12 A That's right.

13 Q Were you ever aware of Oliver North's
14 role in distributing money to various contra leaders
15 that were short on cash, or needed funds for a
16 particular purpose?

17 A No.

18 Q Were you aware that Colonel North had a
19 source of funds in a safe in his office that he
20 could distribute cash to the various contra leaders
21 when they were visiting in Washington?

22 A No.

23 Q Did any contra leaders ever tell you they
24 had received cash or traveler's checks from Oliver
25 North to cover expenses?

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1 A No.

2 Q Did he ever tell you he had done that?

3 A No.

4 MR. SMILJANICH: Okay, for the second
5 time, that is all I have.

6 THE WITNESS: I won't come back.

7 MR. TRAYLOR: We won't come back. We
8 really mean it this time.

9 [Laughter.]

10 MR. SMILJANICH: Okay. Thank you very
11 much.

12 MR. SCHWEITZER: Terry, let me just ask
13 you, do you think Bob will be called by your
14 Committee?

15 MR. SMILJANICH: I don't think so, no.

16 MR. SCHWEITZER: Good.

17 MR. SMILJANICH: There are no promises,
18 but I don't think so.

19 MR. SCHWEITZER: We will not waive
20 signature of the deposition. We would like to see
21 it and have Mr. Kagan review it, and I would make
22 the request to Mr. Smiljanich that if a copy of the
23 deposition is available pursuant to the Committee
24 Rules for witnesses, we would request and pay for a
25 copy of the deposition transcript.

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1 MR. SMILJANICH: For the record, my
2 understanding is that the Committee Rules prohibit
3 the release of the transcripts to anybody, including
4 the witness, but I will doublecheck into that. I
5 have also stated to Mr. Schweitzer that if for any
6 reason Mr. Kagan needs to review his testimony, I
7 would certainly make arrangements for him to do so.
8 And if he were ever to be called as a witness,
9 certainly we would provide him the opportunity to
10 review his transcript.

11 Thank you.

12 MR. SCHWEITZER: Thank you.

13 [Whereupon, at 4:08 p.m., the deposition
14 in the above-entitled matter was adjourned.]

15

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SIGNATURE OF THE WITNESS

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SUBSCRIBED AND SWORN to before me this

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day of

 , 1987.

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Notary Public

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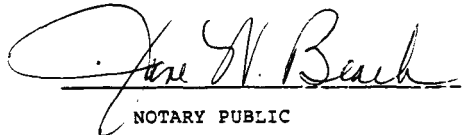
My Commission Expires:

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CERTIFICATE OF REPORTER

I, JANE W. BEACH, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by ME; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.


NOTARY PUBLIC

My commission expires 11-14-91.

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H515-71

DEPOSITION OF ROBERT WILLIAM KAGAN

United States Senate
 Select Committee on Secret
 Military Assistance to Iran
 and the Nicaraguan Opposition
 Washington, D.C.

Deposition of ROBERT WILLIAM KAGAN, a witness herein,
 called for examination by counsel for the Senate Select
 Committee, the witness being duly sworn by MICHAL ANN SCHAFER,
 a Notary Public in and for the District of Columbia, at the
 offices of the Senate Select Committee, 901 Hart Senate Office
 Building, Washington, D.C., at 2:00 p.m. on Tuesday, June 16,
 1987, and the proceedings being taken down by Stenomask by
 MICHAL ANN SCHAFER and transcribed under her direction.

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1 APPEARANCES:

2 On behalf of the Senate Select Committee:

3 TERRY SMILJANICH, Esq.

4 Associate Counsel

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6 Washington, D.C. 20510

7 (202) 224-9960

8
9 On behalf of the House Select Committee:

10 TIMOTHY E. TRAYLOR, Special Agent

11 Federal Bureau of Investigation

12
13 On behalf of the Witness:

14 WILLIAM H. SCHWEITZER, Esq.

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16 1050 Connecticut Ave., N.W.

17 Washington, D.C. 20036

18 (202) 861-1531

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C O N T E N T S

Deposition of: Examination by Counsel for the
ROBERT WILLIAM KAGAN Senate House
By Mr. Smiljanich: 4

E X H I B I T S

(None)

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P R O C E E D I N G S

Whereupon,

ROBERT WILLIAM KAGAN

was called as a witness herein and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE SENATE SELECT
COMMITTEE

BY MR. SMILJANICH:

Q One more time for the record. State your name.

A Robert Kagan.

Q Mr. Kagan, we've had a previous deposition. The reason I asked you to come back is there's a few follow-up things I wanted to ask you about, including some references in some documents.

Let me start off by noting that these are not documents you created or documents that you would necessarily have seen, but they refer to you and I wanted to see if you could tell us what you think they refer to or what you know they might refer to.

First of all, are you familiar with what's called a PROF note?

A I've read about it. I've heard about it. I wasn't familiar with it before.

Q Well, there was a system at the NSC of communicating

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1 with each other by use of a system that was called a PROF.
2 And there are notes that can be printed out of the various
3 communications.

4 There is a PROF note, and so I can perhaps not get
5 into CodeWord on this thing -- I'd like to keep this at Secret
6 if I can. This is a PROF note dated October 30, 1986, that was

7 A. October 30?

8 Q. October 30, 1986, sent at about 10:00 a.m. And it's
9 a note from Craig Coy to Oliver North, and let me just read it
10 into the record. It says:

11 "Note from Craig P. Coy, subject: Help. Kagan
12 called to say the transaction you were to arrange is desperately
13 needed by the people who need the help."

14 That's the sum total of the message. Do you have any
15 recollection of what that's referring to?

16 MR. SCHWEITZER: Do you mind if I take that and write
17 that down, because you're not going to give me a copy?

18 THE WITNESS: Do you want me to wait while you write
19 that down?

20 MR. SCHWEITZER: No, go ahead.

21 THE WITNESS: I presume it's in reference to what I
22 discussed with you at the end of the last deposition I gave,
23 which was the fact that I had brought to Colonel North's
24 attention the fact that the Washington office of the
25 resistance didn't have funds to stay open. This office is here

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1 to be a voice for the resistance. And he had advised me that
2 he might be able to do something about that.

3 BY MR. SMILJANICH: (Resuming)

4 Q Now, you're talking about the Washington office of
5 UNO in particular?

6 A Yes.

7 Q When was it that you first had this conversation with
8 North prior to this reference in this note, in terms of dates
9 or weeks?

10 A I would say September. It may have been late
11 August, early September. I can't be sure.

12 Q What the people needed in the Washington office of
13 UNO was funds to help them stay open?

14 A Yes.

15 Q Any particular amount of funds that they mentioned?

16 A Well, they had come up with a monthly budget of
17 about \$25,000 for office supplies and salaries.

18 Q Now, who at UNO talked to you about it or told you
19 about their need?

20 A [REDACTED]

21 Q How do you spell the last name?

22 A [REDACTED]

23 Q And his position?

24 A [REDACTED]

25 Q So he said that they were in need of \$25,000 a month?

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- 1 A Well, yes.
- 2 Q Roughly?
- 3 A Yes.
- 4 Q And what did [REDACTED] think you could do for
5 them?
- 6 A He was just letting me know. I don't know that he
7 thought I could do anything for him.
- 8 Q In other words, he didn't come to you directly to
9 request of you and see if you could come up with the funds?
- 10 A Well, I think he came for advice or he [REDACTED] and
11 he just was explaining that he had a lot of things that he
12 wanted to accomplish, but he didn't have any money.
- 13 Q Okay. Do you recall anyone else being present when
14 he first talked about this to you?
- 15 A It's possible, but I don't remember. (7)
- 16 Q So then you mentioned it in a conversation with
17 Oliver North?
- 18 A Uh-hmm.
- 19 Q How soon after your conversation with [REDACTED]
- 20 A I don't know.
- 21 Q Days, weeks, hours?
- 22 A Maybe weeks, not many weeks, I wouldn't say.
- 23 Q Do you have any kind of record that you could refer
24 to that would pinpoint when it was you would have had this
25 talk with North? Do you have any kind of office calendar that

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1 would refer to it?

2 A No.

3 Q Any kind of notes you kept?

4 A Well, you've seen my notes. There are references in
5 there, but it wouldn't reference when the first conversation
6 took place.

7 Q When you talked to Oliver North about this, was this
8 a conversation with him specifically directed to this request
9 by [REDACTED], or did it come up in connection with something
10 else?

11 A I don't recall the actual meeting.

12 Q Okay. Why did you mention it to Oliver North?

13 A Well, I mentioned the problem to a lot of people.

14 Q Who else did you mention it to?

15 A Well, there was a working group at the White House
16 it was actually NSC, chaired by Walt Raymond, at which I just
17 noted the fact that these guys were -- a lot of things were
18 being expected of them and they were really short of funds.
19 And Colonel North may have been present at one of those.

20 Q I'm trying to place that. What do you mean, a
21 working group chaired by Walt Raymond? What working group is
22 that?

23 A That was the public diplomacy working group on
24 Central America.

25 Q Consisting of who?

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1 A Walt Raymond, sometimes Ray Burkhardt, but I don't
2 know how often, and sometimes Colonel North, much less
3 frequently; people from USIA, me from State and maybe somebody
4 else from State, somebody from DOD.

5 Q Who, do you know?

6 A Maybe Kay Stevenson.

7 So I brought it up in that context, too.

8 Q What was the life of that working group? I mean, when
9 did it start? Is it still in existence?

10 A Not really, because Walt Raymond has moved from the
11 NSC to USIA. I mean, there were similar things set up, but
12 that was there before I arrived, so I don't know how long ago
13 it was set up.

14 Q How often did it meet?

15 A About once a week or once every two weeks.

16 Q What was on its agenda? I mean, what was it supposed
17 to do?

18 A It was basically keeping track of what was being
19 done by my office and the public affairs office in the Defense
20 Department and what the White House was doing in terms of,
21 you know, the general public diplomacy effort.

22 Q Now, this is not the same thing as what's also
23 referred to as the Fortier group?

24 A No.

25 Q Was this geared toward attempts to do what you could

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1 to get the contra programs through Congress?

2 A It was a little bit more. It was really more general.
3 It was really to do what we could to get the facts on the
4 Central American situation out to the public at large and
5 overseas.

6 Q So you may have mentioned it or you did mention it to
7 one of the meetings of this working group?

8 A Yes.

9 Q Who else did you discuss the plight of [REDACTED]
10 with?

11 A I mentioned it to Mr. Abrams.

12 Q Did he say there was anything he thought could be
13 done?

14 A No.

15 Q Anyone else?

16 A It's possible. I just don't remember anyone else.

17 Q You say North may have been present when you brought
18 it up at the working group meeting chaired by Walt Raymond.
19 Do you also recall separately a meeting with Oliver North in
20 which this subject came up?

21 A I believe there was a separate conversation. I
22 don't recall it specifically, and I don't remember if it was
23 over the phone or face to face.

24 Q And Oliver North said he thought he might be able
25 to help?

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1 A Yes. (7)

2 Q Is that all he said? I mean, did he elaborate on
3 what he meant by that?

4 A Well, he told me to get a budget from [REDACTED] and an
5 account number.

6 Q You mean a contra account number in Washington?

7 A Well, he didn't specify. He just said some account
8 number.

9 Q Anything else he said?

10 A No.

11 Q Did he say where he thought he might be able to come
12 up with the necessary funds?

13 A No.

14 Q And you didn't ask him?

15 A No.

16 Q Did you have any assumptions as to where North might
17 be able to get a hold of the funds that would be necessary to
18 keep the UNO office going?

19 A Well, my sense was that he knew of people who had a
20 lot of money. But I don't know. You know, I didn't have any
21 evidence of that, but I just felt that way.

22 Q I understand that you didn't have any evidence of
23 that. Where did you get that feeling from?

24 A You asked me this the last time and I've been thinking
25 hard about what led me to that impression, and I've really

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1 honestly not been able to come up with anything in particular.

2 Q Did you have a sense as to what kind of people it was
3 that he had access to?

4 A I didn't have a sense. I mean, when you say did you
5 have a sense, that means did I obtain it. I mean, in my mind
6 I thought that he knew rich American private citizens.

7 Q Did you have any sense that North had previously
8 raised money for other purposes?

9 A No.

10 Q Well, you must have had some belief that this wasn't
11 a first time event for him?

12 A Yes.

13 Q What did you believe had occurred in the past? I
14 understand you didn't have any direct information or evidence
15 of it.

16 A I know what you're and why you're asking it, and I
17 just didn't -- I can't explain why. I had this sense. And you
18 can ask questions, which, well, did you do this and did you
19 ever see this or did you ever see that, and you can go through
20 that and I can give you answers to that.

21 But I really just don't know why I particularly had
22 that impression.

23 Q Did you ever have any information, be it third-hand,
24 rumor, whatever, that Oliver North had access to a supply of
25 funds that he was ~~paying out to various contra leaders?~~

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- 1 A No.
- 2 Q You have probably read or heard the testimony of some
- 3 people that he kept traveler's checks in his safe.
- 4 A Yes.
- 5 Q Over \$100,000 worth, that were used to make payments
- 6 to various [REDACTED] leaders or other contra leaders. You
- 7 had absolutely no information on that one way or the other?
- 8 A Absolutely not.
- 9 Q No clue of that?
- 10 A No.
- 11 Q No one ever hinted to you that Oliver North had this
- 12 kind of access to money directly from his office?
- 13 A No.
- 14 Q So that's not part of the general sense you had of
- 15 North's access, possible access to money?
- 16 A Right.
- 17 Q In January, late January of 1986, the Channell-Miller
- 18 people put together a function that I believe Elliott Abrams
- 19 spoke at, and I think it was the January one which included a
- 20 visit to the Roosevelt Room and I think maybe a drop-by by
- 21 the President.
- 22 There is two events. There is one in January and
- 23 there is one in March. I tend to get the two mixed up.
- 24 Were you involved in any way in the preparation for
- 25 or attendance at either or both of those two events?

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1 A. No. I think the last time you asked me whether I
2 knew about those events, and I didn't recall them.

3 Q. Okay. There are some indications -- and I don't have
4 those with me -- that when Elliott Abrams first met with
5 Richard Miller to discuss his assistance in connection with
6 these events, which weren't fund-raisers as I understood it,
7 but basically thank-you's for past assistance and also an
8 encouragement to support the Administration policy in Central
9 America, that you may have been involved in some of those
10 early, like a luncheon meeting in early January with Miller
11 and with Elliott Abrams.

12 Do you have any recollection of that?

13 A. No, and I don't believe I've found anything like that
14 on my calendar.

15 Q. Also, I remember specifically there's a phone
16 message in the documents produced by Richard Miller in November
17 of '86 which refer to Elliott Abrams being available for a
18 meeting, and it states: "Bob Kagan is also available."

19 Do you have any recollection of any discussions about
20 possibly meeting with these people in November of 1986?

21 A. I don't have that recollection, no.

22 Q. Going back to January of 1986, what did you know of
23 what was going on there? You say you didn't have any
24 particular involvement or role in it. Did you know that there
25 was -- I mean, this was Elliott Abrams who was involved in

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1 making a speech to some people.

2 Did you know that that was happening?

3 MR. SCHWEITZER: Excuse me, Terry. I don't understand
4 your question. Could you restate that for me, please?

5 BY MR. SMILJANICH: (Resuming)

6 Q In January 1986 there was a function put together
7 by Spitz Channell and Richard Miller which involved, as I recall
8 it, in January a speech by Elliott Abrams, a thank-you by the
9 President. You say you weren't involved in either the
10 preparation for or participation in that particular event, is
11 that correct?

12 A I don't recall any participation.

13 Q Did you know at the time that that was going on?

14 A I don't remember whether I did or I didn't. I was
15 fairly new on the job at that point.

16 Q Now, your immediate prior experience had a lot to do
17 with preparing speeches for Elliott Abrams, is that correct?

18 A No, I never prepared speeches for him. I prepared
19 speeches for the Secretary of State.

20 Q You were then Elliott Abrams' special assistant for
21 a while?

22 A Starting in November, and was still in January.

23 Q November '85, January '86?

24 A Yes.

25 Q As special assistant, did you have any involvement

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1 in speech-writing for him?

2 A I had actually made an agreement with him that I
3 would write very few speeches for him, and I don't think I had
4 written one by then.

5 Q By "then" you mean by January, late January of '86?

6 A Yes.

7 Q In March of 1986, there was a further event of some
8 kind put together in which I believe Elliott Abrams gave a
9 speech at. Were you involved at all in that activity?

10 A An event that Abrams gave a speech at? Could you be
11 more specific.

12 Q All I can tell you is it was specifically with regard
13 to Spitz Channell and Richard Miller. NEPL, National Endowment
14 for the Preservation of Liberty, I think it's called.

15 A I don't recall that.

16 Q You don't recall that?

17 A No. I don't remember writing a speech. First of
18 all, I don't think Elliott gave prepared texts when he would
19 sort of go -- when all he had to do was go and tell people that
20 the policy was important and that kind of thing.

21 The only speeches that I wrote for him were in a
22 policy forum, like the Council on Foreign Relations or World
23 Affairs Council or something like that.

24 Q So whatever sense you had of Oliver North's ability
25 to get in touch with people that had access to money, none of

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1 it had to do with anything that took place in January or March
2 in connection with Spitz Channell and Richard Miller?

3 A No.

4 Q Okay. What happened after you mentioned it to
5 North?

6 A Well, as I said, he said that I should get a hold of
7 an account number from [REDACTED] and a budget. I brought those
8 to him and he said -- well, I don't recall what he said, but
9 my impression was he would try to do something.

10 Q You say you brought him back a budget and an account
11 number?

12 A Uh-hmm.

13 Q Was this a written budget that had been prepared by
14 [REDACTED]

15 A Yes.

16 Q Showing the need for approximately \$25,000 a month?

17 A Right.

18 Q And do you recall anything about the account number,
19 what bank it was in?

20 A No.

21 Q Do you recall whether it was a local bank, a Miami
22 bank, a foreign bank?

23 A I believe it was [REDACTED] account.

24 Q And your understanding was it was an UNO account?

25 A No. I spoke to [REDACTED] some time in the spring. He

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1 told me it was his sister's account or something. It was
2 actually not an UNO account.

3 Q Spring of this year, you mean you talked to him about
4 it?

5 A Yes.

6 Q When you gave this to North, did you personally hand
7 it to him yourself?

8 A Yes.

9 Q In his office?

10 A Yes.

11 Q Did he say anything further or add anything as to how
12 he was going to go about trying to get a hold of this money?

13 A No.

14 Q Okay. What's the next event you can recall concernin
15 this need for money by [REDACTED]?

16 A Well, time was passing and he would periodically, I
17 mean maybe once every week or two, inform me that he hadn't
18 been able -- he didn't have any money.

19 Q North told you this?

20 A No, no, [REDACTED]. I'm sorry.

21 And then at some point he informed me that he had
22 received some money.

23 Q Okay. Do you recall calling and talking to Craig Coy
24 about this?

25 A Yes.

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1 Q Had you talked to anybody else at the NSC besides
2 North and Coy about this matter?

3 A I believe I also may have spoken to Fawn Hall about
4 it.

5 Q About that same time?

6 A Yes.

7 Q You mean calling up to ask about what the status
8 was?

9 A Yes.

10 Q When you talked to Craig Coy about it, did he know
11 what you were talking about?

12 A I didn't get a sense from him whether he did or
13 didn't.

14 Q You didn't explain it to him? You didn't say, look,
15 North told me, North said he would get some money for so and
16 so to help him with their Washington office, and we haven't
17 heard?

18 A I may have described it a little. I don't know how
19 much detail I described it in, but I may have described it a
20 little bit.

21 Q Let me ask it this way. Was there a feeling that
22 you had to talk cryptically about this subject?

23 A No.

24 Q In other words, you didn't feel like, if you were
25 talking to Craig Coy, you had to say, for example, well, there

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1 was something he was going to help us with, some type of
2 transaction? I mean, you didn't have to talk in those terms,
3 did you?

4 A I assumed that Craig Coy knew what this was about.

5 Q When you talked to Fawn Hall, did she seem to know
6 what you were talking about?

7 A Yes, I think so.

8 Q Okay. I'm going to show you a document here and I'll
9 explain first of all what it is. Both Craig Coy and Robert
10 Earl -- you know Robert Earl?

11 A Uh-hmm.

12 Q Both Craig Coy and Robert Earl were on a 24 hour
13 watch at the NSC starting October 31st, 1986, having to do with
14 the impending release of a hostage. And they were at the NSC
15 around the clock, you know, manning the phones and keeping up
16 with it.

17 And they kept a running chronology of events that
18 were occurring.

19 A I'm sorry, what time period is this?

20 Q October 31st, 1986.

21 And on one of the pages of their chronology, and it's
22 October 31, 1986, at 1605 --

23 A 4:00 o'clock.

24 Q 4:05, okay, there is the following note, which is in
25 Robert Earl's handwriting.

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1 (Document shown to witness.)

2 Q Now, if we can assume that it's correct that the
3 first thing I showed you is from Craig Coy on the 30th of
4 October and then the next thing I showed you is the next day
5 from Robert Earl, it would appear that there were back to back
6 two telephone conversations, two days in a row.

7 Do you recall that occurring?

8 A No.

9 Q Do you recall, was there any sense of desperation by
10 [REDACTED] as time went by, that they absolutely needed this money?

11 A Well, I mean, he needed the money for a long time and
12 he didn't have the money for a long time. So it was definitely
13 a problem. I don't know if it was desperation.

14 Q Well, you had said it was about once a week, once
15 every other week, you would check with him and he would say,
16 no, the money hadn't come yet.

17 A Or he would volunteer to me.

18 Q But do you recall there ever being a time when it
19 looked like it was more than just once a week or once every
20 other week, that there was an actual desperate need for it as
21 immediately? Do you recall anything like that?

22 A Well, I mean [REDACTED] as time went on became more and
23 more concerned. I would say that.

24 Q But you don't recall that right around the very end
25 of October that this was coming to some kind of a head?

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1 A I don't know that you could ever say it was coming to
2 a head. It was an ongoing problem. The longer it was ongoing,
3 the more of a problem it was.

4 Q What's the end of the story? What happens with these
5 various calls to or from [REDACTED] and this need for money?
6 Whatever happened?

7 A What happened is that I understand that he received
8 some money.

9 Q Do you recall when?

10 A I don't specifically.

11 Q How did you find out?

12 A He told me, [REDACTED] told me.

13 Q Did he say how much he got?

14 A I don't recall.

15 Q Did he say where he got it from?

16 A No.

17 Q Did he say it was from North?

18 A No.

19 Q You didn't ask him?

20 A No.

21 Q Did you ever talk to North about the fact that

22 [REDACTED] had gotten the money?

23 A My sense is that I must have discussed it with him at
24 some point. I don't have a specific recollection of the
25 conversation.

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1 Q Okay. Let me approach it this way. November 25th,
2 North was -- North's relationship with the NSC was terminated.
3 Do you recall the last conversation you had with North before
4 he was terminated?

5 A No.

6 Q Did you have any discussions with North right around
7 that famous three, four, five days when everything was coming
8 to a head, around November 25?

9 A I don't recall any.

10 Q Certainly the day the contra diversion was revealed
11 by the President and the Attorney General and it was announced
12 that Poindexter had resigned and North had been terminated, I
13 mean, that was obviously a pretty significant event that you
14 can probably remember learning that news, right?

15 A Uh-hmm.

16 Q Do you recall at that time thinking back as to when
17 the last meeting or conversation you had had with North was?

18 A No.

19 Q Had it been within the last few days?

20 A I just don't recall.

21 Q Did you talk with North after that day or during
22 that day?

23 A No.

24 Q So you have not talked to Oliver North since whenever
25 it was you talked to him before the contra diversion

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1 revelations?

2 A. No.

3 (Pause.)

4 MR. SMILJANICH: That's all I have.

5 MR. SCHWEITZER: I have no questions.

6 THE WITNESS: I have no questions.

7 MR. TRAYLOR: And I have no questions.

8 (Whereupon, at 2:32 p.m., the taking of the instant
9 deposition ceased.

10

11

12

Signature of the witness

13

SIGNED AND SWORN TO before me this _____

14

day of _____, 198 ____.

15

16

17

Notary Public

18

My Commission expires:

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CERTIFICATE OF REPORTER

I, Michal Ann Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer

NOTARY PUBLIC

My Commission expires February 28, 1990

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4 DEPOSITION OF ROBERT W. KAGAN

6 Friday, September 4, 1987

8 House of Representatives,

9 Select Committee on Investigate

10 Covert Arms Transactions with Iran,

11 Washington, D.C.

12
13 The select committee met, pursuant to call, at 9:00 a.m.,
14 in Room 2203, Rayburn House Office Building, Thomas Fryman
15 [Staff Counsel to the House Select Committee] presiding.

16 Present: On behalf of the House Select Committee: Thomas
17 Fryman, Staff Counsel; Kenneth E. Buck, Assistant Minority
18 Counsel; and Spencer Oliver, Associate Counsel; and Burt
19 Hammond, Associate Staff.
20 On behalf of the Senate Select Committee: Henry J. Flynn
21 and Burt Hammond, Investigatory.

22 On behalf of the Witness: William H. Schweitzer, Baker &
23 Hostetler, Attorneys-at-Law.

Also Present: Charles Malin, Notary.

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/ by D. Sisto, National Security Council

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24 . MR. FRYMAN: Will you go ahead and swear the
25 witness?

26 Whereupon,

27 . ROBERT W. KAGEN^A

28 was called for as a witness and, after having been duly
29 sworn, was examined and testified as follows:

30 . THE WITNESS: Yes.

31 . MR. FRYMAN: Off the record now.

32 . [Discussion off the record.]

33 . MR. FRYMAN: Okay. The witness--this is off the
34 record.

35 . [Discussion off the record.]

36 . MR. FRYMAN: On the record. Go ahead.

37 . MR. SCHWEITZER: Mr. Kagen is appearing here
38 voluntarily today, as he has done twice before with the
39 Senate Select Committee and with the Special Prosecutor. He
40 is not under any subpoena or any requirement to be here. We
41 are being as cooperative as we can. Spent a good deal of
42 Mr. Kagen's time answering questions for both the United
43 States Senate investigators and lawyers, and for the Special
44 Prosecutor, and we are willing to do that today, within
45 reason.

46 . I would request that since we have got four people
47 here, that just one person ask questions at a time, and he
48 will respond truthfully, as he has done in the past.

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49 MR. FRYMAN: Mr. Schweitzer, you are correct that
50 Mr. Kagen has not been subpoenaed. I called you and
51 requested that he agree to appear today, and you agreed that
52 he would voluntarily appear without a subpoena.

53 The way we will proceed today is that the initial
54 questioning will be by Mr. Oliver. I may have some
55 questions after that, and Mr. Buck or Mr. Flynn may have
56 some questions following that.

57 It will be our procedure to have one lawyer
58 questioning at a time, and we will make every effort not to
59 have any interruption of questioning by one attorney by
60 another, so Mr. Oliver, if you will go ahead.

61 MR. OLIVER: Thank you. Good morning, Mr. Kagen.

62 MR. SCHWEITZER: Excuse me. I don't have your--what
63 is your position with--

64 MR. OLIVER: I am Associate Counsel to the Select
65 Committee and Chief Counsel to the House Foreign Affairs
66 Committee.

67 MR. SCHWEITZER: Thank you.

68 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

69 BY MR. OLIVER:

70 Q Mr. Kagen, we have discussed the IBC contract in the
71 past. What I would like to do today is try to clarify some
72 matters that have come up in the course of this
73 investigation regarding that particular contract. I know

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74 you have been deposed twice before, and I read those
75 depositions, but they did not deal extensively with that
76 particular matter, and that is one of the things that we
77 would like to have cleared up for the record before the
78 final report of this committee is issued.

79 . So, I want to ask you a few questions about that.

80 But first, let me ask you, when did you become associated
81 with the Bureau of Inter-American Affairs or ARA?

82 . A In November of 1985, when I went to work as Special
83 Assistant to Secretary Abrams.

84 . Q Why did you leave Secretary Shultz's Office to go
85 work for Mr. Abrams?

86 . A I had been there for getting on towards two years.
87 I had written about all the speeches I thought I had in me
88 to write, and wanted to get into a more functional area, as
89 opposed to speech-writing.

90 . Q How did you happen to be offered this job by Mr.
91 Abrams?

92 . A Well, we knew each other through various connections
93 of friends and mostly coming out of New York. Irving
94 ^{Kristol}~~Caplan~~, Norman Podhoretz, P-o-d-h-o-r-e-t-z. I have done a
95 lot of writing for Commentary and worked with the Public
96 Interest and Elliott Abrams is Norman Podhoretz's son-in-
97 law, and we worked together on a couple of speeches for the
98 President while I was still in the speech writer's office.

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99 and when he was going over to become Assistant Secretary, we
100 discussed the possibility of my going over to work for him.
101 . Q When did you first meet Otto Reich?
102 . A Some time after I had gone to work in ARA. I
103 couldn't say precisely.
104 . Q Would you say September or November of 1985?
105 . A Sometime after November. I can't be precise; might
106 have been December or January. I am not sure.
107 . Q But the Office of Latin American Public Diplomacy
108 worked closely with ARA even at that time, isn't that
109 correct?
110 . A From where I was sitting as the Special Assistant, I
111 didn't have much contact with the Office of Public
112 Diplomacy, really.
113 . Q Who interfaced with the Office of Latin American
114 Public Diplomacy in ARA?
115 . A I am not sure.
116 . Q Do you know whether anyone interfaced with the
117 Office of Latin American Public Diplomacy?
118 . A I don't have a clear recollection of how the--how the
119 mechanism worked. I wasn't really at the time that well
120 informed about what the Office of Public Diplomacy did.
121 . Q When did you become aware of what the Office
122 of--let's refer to it as LPD. When did you first become
123 aware of what their role was as it related to ARA?

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124 . A Well, when I was still Mr. Abrams' Special
125 Assistant, I was going to some of the meetings that were
126 held in Walt Raymond's office at the National Security
127 Council, and I was there as Elliott's Special Assistant, and
128 Otto Reich was there as the head of the Office of Public
129 Diplomacy, so I was becoming familiar with their work
130 through those meetings.

131 . MR. SCHWEITZER: Could we go off the record?
132 . MR. FRYMAN: Off the record.
133 . [Discussion off the record.]

134 . MR. OLIVER: Could we go back on the record?
135 . BY MR. OLIVER:

136 . Q When did you first begin to attend these meetings in
137 Walt Raymond's office?

138 . A I am not exactly sure. I would say maybe December
139 or January.

140 . Q Of 1985?
141 . A January of '86.
142 . Q January of '86.

143 . This was a regular weekly meeting dealing with
144 Central American public diplomacy.

145 . A I am not sure it was weekly. I think it was more
146 like every two weeks, and it was Latin American in general,
147 but most of the time was devoted to Central America.

148 . Q Who chaired these meetings?

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149 . A I believe that technically Otto Reich chaired them,
150 but they were held in Mr. Raymond's office.

151 . Q Who else attended the meetings?

152 . A Um--either Ray Burkhardt and in that period
153 occasionally, but not directly, Colonel North, one or two
154 members of the CIA--what is her name--Kay Stevenson from
155 Department of Defense, a couple of people from USIA--what is
156 his name, John Scaife. That was generally it.

157 . Q Did Jonathan Miller also attend those meetings?

158 . A No.

159 . Q Did John Blaken attend those meetings?

160 . A He might have been there on occasion.

161 . Q When did you first meet Jonathan Miller?

162 . A It was--I would say it was probably closer to the
163 summer of '86 before I actually met Jonathan Miller.

164 . Q Did you know who he was in early 1986?

165 . A I don't know exactly when I knew who Jonathan Miller
166 was, but at some point, I did become aware that he had
167 worked at the Office of Public Diplomacy and was working at
168 the White House.

169 . Q What was he doing at the White House?

170 . A You are asking me now what I know about what he was
171 doing, or then what I knew--

172 . Q Then.

173 . A I could never quite figure out what he was doing.

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174 . Q So, you didn't really interact with him in 1986?

175 . A No.

176 . Q But you did with John Blaken?

177 . A Well, he was at the Office of Public Diplomacy when

178 I was there.

179 . Q And he attended these meetings that Otto Reich

180 chaired?

181 . A I don't have a clear recollection of any meeting he

182 was at, but my perception is he was probably at those

183 meetings if Ambassador Reich wasn't available, or even with

184 Ambassador Reich.

185 . Q So, what did you talk about during those meetings?

186 . A We talked about--mostly it was--public diplomacy in

187 the broad sense. There was a lot of discussion about things

188 that USIA was putting out for Europe and Latin American

189 distribution, publications that the Office of Public

190 Diplomacy was working on, and I was--when I was Special

191 Assistant, I didn't participate that much.

192 . I was mostly there observing and--but occasionally,

193 you know, I would just maybe let people know where things

194 were on the policy side, what the diplomatic situation was

195 in Central America, things like that.

196 . Q Were you also participating in the rig meetings at

197 that time?

198 . A Yes.

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199 . Q Was anybody else you said was in the Walt Raymond
200 meetings also participating in the rig meetings?
201 . A No.
202 . Q Would it be fair to say that this public diplomacy
203 group took its policy direction from the rig?
204 . A I wouldn't say that there was--that that was clearly
205 the case at all. While I was there, I wasn't giving
206 direction to anybody. People asked me what my perception of
207 what was going on in Central America was based on, I
208 suppose, what I knew from--being--knowing what Assistant
209 Secretary Abrams was doing, and what I would offer--you know,
210 what I have gleaned from the rig.
211 . But it was not a question of direction.
212 . Q Did you report on what consensus had been reached in
213 the rig from time to time to this group?
214 . A Not that I can recall.
215 . Q Well, what was--other than just a bull session, what
216 was the purpose of this meeting? It seems to me there is a
217 lot of overlap between the people in this meeting and the
218 people you interacted with in a lot of other levels.
219 . A I don't--I don't know what the purpose of the meeting
220 was. I know that Walt Raymond took a lot of notes of things
221 that people said they were going to do, you know, if
222 somebody said contact this group and this political--you
223 know, like the Liberal International in Europe, and let them

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224 Know that this pamphlet is available, and something like
225 that. These acts would sort of be noted, and I presume they
226 were carried out, but it always seemed to me that the group
227 was really--they were a bunch of people doing things, and it
228 was a matter of keeping everybody apprized^{s/} of what was going
229 on.

230 . It wasn't a policy-setting group.

231 . Q Was it a group that was primarily concerned with the
232 Congressional vote, aid to the resistance?

233 . A No. I--my sense was--tended to lean in the direction
234 of--there seemed to be a lot of focus on public diplomacy
235 that the USIA did in terms of opinion in Europe and opinion
236 in Latin America, and there was, I am sure, some discussion
237 of issues pertaining to opinion in the United States, too.

238 . But since it was an ongoing effort, you couldn't say
239 that it was particularly keyed to any one vote.

240 . Q But was that one of the main topics?

241 . A I wouldn't say that was one of the main topics.

242 . Q But that was one of the main topics at the rig?

243 . A Well, we were always in a--pretty much always in a
244 pre-vote situation, and that was the policy, was to try to
245 win Congressional aid for the resistance, and that was
246 certainly an issue that came up quite a bit.

247 . Q But, it didn't come up as one of the main topics in
248 the other meeting?

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249 . A It certainly did come up. I wouldn't say it was the
250 single most frequently discussed topic at the diplomacy
251 meeting.

252 . Q Did you at those meetings discuss who was doing what
253 to try to influence the Congressional vote at either the rig
254 or that meeting?

255 . A We were having a lot of discussions--are we still in
256 the period when I am Special Assistant?

257 . Q We are in the period when you started attending both
258 the rig and the ^{regular} ~~reg~~ meetings in Walt Raymond's office.

259 . A I am sorry, could you repeat the question?

260 . Q Well, did you discuss who was doing what or what was
261 being done to influence the Congressional vote on aid to the
262 Nicaraguan resistance?

263 . MR. SCHWEITZER: Which meeting?

264 . MR. OLIVER: At both meetings.

265 . THE WITNESS: I am sure that that was discussed,
266 although I don't think it was discussed that much at the
267 public diplomacy meeting.

268 . BY MR. OLIVER:

269 . Q Was--when it was discussed at the rig meeting, what
270 did--what did they talk about in terms of what was going on
271 in relation to the vote?

272 . A That is--you know, I could answer that question in
273 four hours, but because we had a lot of--you know, there was

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274 several votes, and we were constantly in a pre⁴vote period,
275 but I am sure that we, you know, analyzed where the votes
276 were and what the issues that were of concern to the members
277 who might be swing members or people who were
278 potentially--could be persuaded to vote for the aid.

279 . There was a variety of issues that different members
280 were interested in, and there was discussion on how to try
281 to win their votes.

282 . Q Did you ever hear the name Dan Kuykendall discussed
283 in those meetings?

284 . MR. SCHWEITZER: Either one?

285 . MR. OLIVER: Either one. When I refer to those
286 meetings, I am talking about both meetings, because I think
287 they took place almost contemporaneously, once or twice a
288 week, or every--

289 . THE WITNESS: But they were not essentially the same
290 meeting or that they were essentially covering the same
291 topics, which is what we are going back and forth on for the
292 last 15 minutes.

293 . BY MR. OLIVER:

294 . Q I am just trying to determine if Dan Kuykendall's
295 name came up in either meeting?

296 . A I don't recall that.

297 . Q Do you know Dan Kuykendall?

298 . A I have met him.

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299 . Q And how did you meet Dan Kuykendall, in what
300 connection?

301 . A I once was at a meeting where I was introduced to
302 him. It was held in the Office of Penn ^EKinable at PRODEMCA,
303 P-R-O-D-E-M-C-A. That was the first time I met him, and I
304 may have met him at another meeting.

305 . Q Was that meeting at PRODEMCA a strategy meeting on
306 the Congressional vote of ^Naid to the resistance?

307 . A There was discussion about--yeah, they were--those
308 people were looking at what the Congressional situation was,
309 yeah.

310 . Q Why were you there?

311 . A I was invited, and was basically asked to give my
312 assessment of where the policy was for the most part.

313 . Q Was Rich Miller there?

314 . A He may have been there at that meeting, yeah. I
315 don't recall definitely, but he may have been.

316 . Q How many meetings did you attend at PRODEMCA?

317 . A I don't know. Over this whole period, I would say
318 maybe two or three.

319 . Q Who else was at these meetings?

320 . A Well, it was Penn ^EKinable--I can recall one meeting
321 where Dan Kuykendall was there. I think there were a couple
322 of staffers from the Hill, but I can't remember exactly who
323 they were. I can't say for sure. Maybe Bruce Cameron was

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324 | at one of these meetings.

325 | . I am not sure exactly.

326 | . Q Who is Bruce Cameron?

327 | . A Bruce Cameron is a--former Vietnam activist who

328 | became concerned with the Nicaraguan resistance cause,

329 | and--he has just been in and around the Nicaraguan resistance

330 | issue for the past couple of years.

331 | . Q Was he lobbying on behalf of the resistance in terms

332 | of the Congressional vote ~~for~~ aid to the resistance?

333 | . A That was never my perception.

334 | . Q Were you in regular contact with Bruce Cameron?

335 | . A Pretty regular, yeah.

336 | . Q What was the basis of that contact?

337 | . A It was usually discussing the internal situation of

338 | the resistance.

339 | . Q Wasn't discussing the Congressional vote?

340 | . A It was discussing--yeah, discussing the Congressional

341 | vote, but was usually seen through the lens of the internal

342 | organization of resistance.

343 | . As you know, there was concern for reform within the

344 | resistance among some members, and these concerns were

345 | relayed, and Bruce had his own very strong feelings about

346 | ~~the issue~~ ^{reform} as did I.

347 | . Q Did you know that Bruce Cameron was being paid by

348 | Spitz Channell during this period of time?

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349 . A I think at some point, I came to know that--well, I
350 did not know it, but to believe that.

351 . Q Why?

352 . A I think that he told me at one time that he was
353 being paid by Spitz Channell, but I didn't know exactly to
354 do what.

355 . Q Are you familiar with the Center for Democracy in
356 the Americas?

357 . A I think that was Bruce Cameron's organization.

358 . Q Did you know that Penn Kimble was also associated
359 with that organization?

360 . A Well, his office was on the same floor as the
361 PRODENCA's office, but I didn't know what Penn Kimble's
362 association was with that.

363 . Q Did you ever receive any correspondence from the
364 Association of the Americas?

365 . A I don't recall anything, unless it was a flyer, but
366 I don't recall anything.

367 . Q Do you know Rob Owen?

368 . A Yes.

369 . Q When did you first meet Rob Owen?

370 . A Some time in the late summer of '86.

371 . Q Did you know that Rob Owen had been the former head
372 of what became the Center for Democracy in the Americas,
373 that--when he was the head of it, was called the Institute

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374 for Democratic Education and Assistance?
375 . A I didn't know that.
376 . Q You did not know that he turned over his
377 organization to Bruce Cameron and Penn Kable?
378 . A I didn't know that.
379 . Q Did you know Frank Gomez?
380 . A I came to know Frank Gomez--yes, I did know him
381 actually.
382 . Q When did you first meet him?
383 . A I think when I was working at USIA, when he was
384 there as a TV person or--he had some relationship with the
385 USIA. I had some contact with him.
386 . Q Did you work with him after you went to the Bureau
387 of Inter-American Affairs?
388 . A Well, he was--in the IBC contract.
389 . Q And you worked with him during that period of time?
390 . A When I was in the Office of Public Diplomacy
391 starting in April of '86.
392 . Q Prior to April of 1986, when you sat in the rig
393 meetings and you sat in meetings of public diplomacy in Walt
394 Raymond's office, were you aware of the activities of Rich
395 Miller and Frank Gomez on behalf of LPD?
396 . A No, not that I can recall.
397 . Q IBC's assistance to LPD was never discussed in these
398 meetings, particularly the Walt Raymond meeting?

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399 . A No, no.

400 . Q The materials that they were generating were never

401 discussed as part of the public diplomacy activities of LPD?

402 . A I recall no such discussion.

403 . Q When did you learn that Rich Miller and Frank Gomez

404 were contractors to LPD?

405 . A I ~~can't~~^{can't} really recall learning that prior to the time

406 that I was named as the head of the Office of Public

407 Diplomacy, and was informed that one of the items on my

408 plate was a pending--was this contract.

409 . Q You did not know prior to that of their contractual

410 relationship?

411 . A I don't think that I did.

412 . Q When this contract came on your plate--what shape was

413 it in?

414 . A What--could you be more specific?

415 . Q You said when you took over this office, this

416 contract was on your plate. Would you elaborate on that

417 answer?

418 . A Yeah. The contract had yet to be actually signed.

419 I understood there were pending security clearances that

420 needed to be pushed forward, but that IBC had already been

421 doing work for the office by the time I got there.

422 . Q Who briefed you on the contract when you took over

423 this responsibility?

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424 . A Well, I discussed it not at very great length with
425 Ambassador Reich before he left for Venezuela. I am sure I
426 discussed the matter with Tom Calhoun, who was--I don't know
427 exactly what his title was--you probably know what his title
428 was, Executive Assistant or--no, he was the Admin Officer,
429 the Administration Officer at the time.

430 . Q Did you realize at that time that Rich Miller was
431 the same Rich Miller sitting in the strategy meetings at
432 PRODEMCA on the--

433 . A I don't recall whether I realized it or not. It is
434 entirely likely I realized it.

435 . Q So, you know at that point that Rich Miller was
436 involved at that time in the effort to win the vote on
437 resistance to the--or for aid to the resistance?

438 . MR. SCHWEITZER: At what time you referring to, Mr.
439 Oliver, that he knew that?

440 . MR. OLIVER: Well, he knew that when he saw him at
441 the meeting at PRODEMCA.

442 . MR. SCHWEITZER: I don't understand your question.

443 . MR. OLIVER: My question is, at the time he took
444 over responsibility for this contract, he knew that Rich
445 Miller was involved in--in the effort to influence the
446 Congressional vote on aid to the contras, because the
447 meeting at PRODEMCA had taken place several months prior to
448 that.

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449 . MR. SCHWEITZER: What is your question?

450 . MR. OLIVER: My question is, did you know at the
451 time that this contract came under your area of
452 responsibility, that it was the same Rich Miller who you had
453 met during the strategy session?

454 . THE WITNESS: Yes, I already said that, but your
455 next question is--I would have to say that just because Rich
456 Miller was at a meeting doesn't necessarily imply the
457 sweeping statement that you made.

458 . BY MR. OLIVER:

459 . Q You had met him at a meeting that was primarily for
460 the purpose of--of dealing with legislative strategy?

461 . A Yeah, but I didn't know who at that meeting was
462 actually dealing with it. I mean--

463 . Q How many people were at the meeting?

464 . A I don't know. Six or seven.

465 . MR. SCHWEITZER: Excuse me.

466 . [Discussion off the record.]

467 . BY MR. OLIVER:

468 . Q There were six or seven people there. One was Dan
469 Kuykendall and one was Rich Miller and ^{John E.} ~~then~~ Kimble,
470 yourself--couple of staff guys from the Hill, whose names you
471 can't remember. That is six. Is it your testimony you
472 didn't understand what Rich Miller was doing at that
473 meeting?

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474 . A I didn't know what he planned to do after he left
475 that meeting.

476 . Q Was the discussion of that meeting primarily
477 legislative strategy for aid to the Nicaraguan resistance?

478 . A Yeah. I mean--you can characterize it that way.

479 . Q Bruce Cameron was there also?

480 . A I don't recall whether or not he was definitely
481 there.

482 . Q These were all private organizations, all private
483 individuals who were at this meeting with the exception of
484 you; is that correct?

485 . A Except the Hill staffers that were there.

486 . Q But in terms of the Executive Branch of the
487 Government, you were the only participant?

488 . A Yeah.

489 . Q When you took over the job of Coordinator of Latin
490 American Public Diplomacy, did you begin to chair the
491 meeting at the White House that Otto Reich had chaired
492 previously?

493 . A I took over ~~for~~ his role.

494 . Q You took over as the chairman of that meeting?

495 . A I guess so, although I never considered myself the
496 chairman of the meeting, but technically that is the way it
497 worked.

498 . Q Did you set the agenda for the meeting?

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499 . A Yeah, our office set the agenda for the meeting.
500 . Q At that time, did you discuss legislative strategy?
501 . A As I say--yeah, the issue of legislative strategy
502 must have come up.
503 . Q That would have been May of 1986, is that right?
504 . A Yeah, April-May.
505 . Q Vote occurred in June--important vote on aid to the
506 Nicaraguan resistance. So you--
507 . MR. SCHWEITZER: Excuse me. Is that a question?
508 . MR. OLIVER: Yes; isn't that correct?
509 . THE WITNESS: Yes.
510 . BY MR. OLIVER:
511 . Q So, that was one of the primary focuses of your
512 office at that time when you took over this job; is that
513 correct?
514 . A The office was continually, throughout the time that
515 I was there, putting out information on issues pertaining to
516 Central America and Latin America, and we did that then and
517 we have done it every month since then.
518 . Q Did you ever sit in a meeting where they counted
519 votes and talked about Members of Congress who were
520 targeted?
521 . A In any meeting?
522 . Q Related to the Nicaraguan aid vote?
523 . A But I mean, in any meeting anywhere?

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524 . Q Well, in meetings that related to your job. I am
525 not talking about sitting around dinner with a bunch of
526 friends. I mean in the White House or State Department or
527 PRODEMCA or Rich Miller's office.

528 . A Certainly, there were meetings within the
529 Administration that were counting votes.

530 . Q Did you ever attend a meeting at Rich Miller's
531 office where votes were counted?

532 . A No, not that I recall.

533 . Q Did you ever attend any meetings at Rich Miller's
534 office?

535 . A I went to a party at Rich Miller's office. I don't
536 recall ever being at a meeting, per se. I mean, a party
537 could be called a meeting, but that was after a vote.

538 . Q Were you aware that meetings were taking place at
539 Rich Miller's office that had to do with legislative
540 strategy?

541 . A No, I wasn't.

542 . Q Bruce Cameron never indicated to you that such
543 meetings took place?

544 . A No.

545 . Q In the course of this regular contact you had with
546 him when he was a lobbyist on this issue, he didn't discuss
547 any of these strategy meetings with you?

548 . A Well, I--it is possible that he did. I just can't

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549 recall any.

550 . MR. SCHWEITZER: You have answered the question. He
551 has asked it three different ways. You have answered the
552 question.

553 . BY MR. OLIVER:

554 . Q You indicated in 1986, there were some problems with
555 security clearances for IBC. What were those problems?
556 Could you discuss that with us a little bit?

557 . A I can't be too specific, because I never quite
558 understood exactly what they were, but they had to get--I
559 gather a site clearance from some organization called DS, I
560 think was Defense Department of some kind, and for reasons I
561 never understood, it was never able to go ahead.

562 . I believe it was a site clearance.

563 . [Discussion off the record.]

564 . MR. OLIVER: For the record, Mr. Kagen, the reporter
565 is--does not have a security clearance, so if we--if I ask you
566 any questions that would cause a divulgence of classified
567 information, would you please indicate?

568 . MR. SCHWEITZER: Neither do I, Mr. Oliver, so--I am
569 damned if I know how you go about getting one, so I am in
570 the same boat.

571 . THE WITNESS: Okay.

572 . MR. OLIVER: All right.

573 . BY MR. OLIVER:

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574 . Q Were you aware at the time that you took over this
575 position in LPD that the Defense Investigative Service was
576 having difficulty in contacting Mr. Miller and Mr. Gomez and
577 getting the information that they needed to have in order to
578 grant the security clearance?

579 . A I was aware that there was some problem getting the
580 two sides together or--I mean, there was some problem in
581 achieving closure on this issue. I didn't know exactly what
582 the problem was.

583 . Q I would like to enter as Kagen Exhibit 1 this
584 document, which is a letter from Lee Beaumont, Chief of the
585 Facilities Division of the Defense Investigative Service.

586 . MR. SCHWEITZER: Are you going to make it part of
587 the record, Mr. Oliver?

588 . MR. OLIVER: Yes. I ask the reporter to make it as
589 Exhibit 1.

590 . [Robert Kagen Exhibit No. 1 was marked for
591 identification.]

592 . MR. SCHWEITZER: You don't happen to have a copy for
593 me, do you?

594 . MR. OLIVER: Yes. Would you give a copy to the
595 witness--or out of that packet, Burt? You can keep that
596 copy.

597 . MR. FRYMAN: And look at it. This is off the
598 record.

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599 . [Discussion off the record.]
600 . MR. OLIVER: Back on the record.
601 . BY MR. OLIVER:
602 . Q That document which is dated June 3rd, 1986, appears
603 to be--is a letter which indicates the difficulty that the
604 Defense Investigative Service is having with Mr. Miller and
605 Mr. Gomez. Did that letter come to your attention?
606 . MR. SCHWEITZER: One second. Let me just object to
607 your characterization of the letter, Mr. Oliver. You may be
608 correct, but the letter is here and it speaks for itself.
609 If you want to ask about any information concerning the
610 letter--he hasn't signed it. You haven't even asked if he
611 can identify it.
612 . MR. OLIVER: I believe I asked him a moment ago
613 whether he had seen that letter.
614 . MR. SCHWEITZER: No, you haven't.
615 . MR. OLIVER: All right.
616 . BY MR. OLIVER:
617 . Q Mr. Kagen, have you ever seen that letter?
618 . A No.
619 . Q Were you aware of the subject matter that was
620 discussed in that letter?
621 . A As I said, I was aware that there was difficulty in
622 achieving--what was necessary to go ahead with the clearance,
623 but I don't recall being specifically aware of what the

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624 specific problem was.

625 . Q You were the initial technical representative on
626 that contract; is that correct?

627 . A Yeah, I became that at that point, yeah.

628 . Q At the point you took over the job of--the Director
629 of LPD.

630 . A I gather that is probably technically correct,
631 although I don't think I was named the COTR until I actually
632 signed the contract, but probably that is technically
633 correct, but if you want to check with the administrative
634 people to find out whether or not that was true or not at
635 that time--

636 . Q Well, did you become aware of the difficulties with
637 the security clearance at that time?

638 . A At what time?

639 . Q When you took over the job?

640 . A Yes.

641 . Q Did you ask somebody what the difficulty was?

642 . A Yeah. I asked Tom Calhoun.

643 . Q And what did he tell you?

644 . A I don't remember specifically. I recall that
645 meetings had not taken place that were supposed to have
646 taken place, or documents hadn't been furnished that were
647 supposed to be furnished, but I don't remember exactly what
648 the reason was.

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649 . Q Did you do anything about it?

650 . A Yeah. I called up Rich Miller and told him to do
651 whatever was necessary to take care of the problem.

652 . Q And what did he say?

653 . A He said okay.

654 . MR. OLIVER: I would like to enter on the record--ask
655 the reporter to make this as Kagen Exhibit No. 2, a
656 memorandum from Mr. Robert Dixon to Mr. Robert Kagen and to
657 Truman E. Brown, drafted on June 13, 1986 and containing the
658 date of 6-17-86, which we believe to be the date in which
659 the memorandum was forwarded. I ask the reporter to mark
660 the Exhibit, and to show it--

661 . MR. SCHWEITZER: I will object to Mr. Oliver's
662 characterization of the document, that he is going to enter
663 the document into the record. It speaks for itself. I
664 don't know that it was drafted on the date that he says it
665 was drafted.

666 . MR. OLIVER: Counsel, I will when you examine the
667 document, you will see the date of the drafting appears on
668 it.

669 . MR. SCHWEITZER: I don't know that, Mr. Oliver.
670 Unless you can get the person here who drafted it, to tell
671 us that--

672 . MR. OLIVER: I am just trying to identify the
673 document based on what is on the face of it. You may

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674 object, but we are simply trying to get the facts here. If
675 you are going to object to the characterization of documents
676 based on what is on the face of it, we are going to be here
677 a long time.

678 . MR. SCHWEITZER: Mr. Oliver, I don't have any
679 problem with you asking questions about documents, and
680 indeed, we are here in order to give answers to questions
681 specifically asked by you. I don't have any problem with
682 your examining from documents, but I do have a problem with
683 your characterization of the document that we haven't seen
684 yet as to a certain date that it was drafted when the
685 drafter of the document obviously isn't here.

686 . MR. FRYMAN: Well, let me just comment that it is
687 the general practice in our depositions for the attorney
688 conducting the deposition, when he ~~states~~^{offers} an exhibit, to
689 state a brief description of the document for the record or
690 for the transcript of the deposition, a description such as
691 a date and the recipient of the document, or the author of
692 the document, and I believe that is all that Mr. Oliver was
693 trying to do at that point.

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694 RPTS CANTOR

695 DCMK MILTON

696 [10:00]

697

698 . MR. SCHWEITZER: I'm not trying to be contentious,
699 Mr. Fryman, and I will go off the record. Maybe if we go
700 off the record we can establish a policy so that we won't
701 have ~~the~~ ^{good} policy in the future.

702 . MR. OLIVER: Would you like to go off the record,
703 counsel?

704 . MR. SCHWEITZER: Sure.

705 . MR. OLIVER: We will go off the record for just a
706 moment.

707 . [Discussion off the record.]

708 . MR. OLIVER: Back on the record.

709 . The reporter has marked the exhibit.

710 . BY MR. OLIVER:

711 . Q Mr. Kagan, I would like to have you examine that
712 document and tell me whether you have ever seen it before.

713 . MR. SCHWEITZER: Have you read it?

714 . THE WITNESS: Yes.

715 . BY MR. OLIVER:

716 . Q Have you ever seen that document before?

717 . A I have.

718 . Q Was that document sent to you on or about June 17,

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719 1986?

720 . A I recall seeing this document later. I don't
721 recall seeing it at the time, but it's possible that I did
722 see it at the time.

723 . Q But you were aware at some time in the early summer
724 of 1986 of the problems that are discussed in this letter?

725 . A I was aware of the problems but I'm not sure that I
726 saw this then, but that is okay. I was aware of the
727 problems.

728 . Q Why would you have not seen it at that time?

729 . A It's possible that I did. I'm saying that I don't
730 recall seeing it at the time. When I saw it later after a
731 bunch of documents produced in the course of several
732 investigations, I didn't recall having seen it at the time,
733 but it's possible that I did. It's obviously addressed to
734 me.

735 . Q Were you aware that the procurement division had
736 indicated that in the absence of a contract, that no more
737 services could continue to be performed by IBC?

738 . A I wasn't specifically aware of that, no.

739 . Q Did someone else in your office deal with the IBC
740 contract besides you?

741 . A Well, at this time Tom Calhoun was dealing with it.

742

743 . Q Tom Calhoun was an assistant to you?

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744 . A Yes.

745 . Q And he was responsible for the IBC contract?

746 . A No, he was the one I was turning to to make this
747 process move forward.

748 . Q Was he aware, to your knowledge, of the memorandum
749 indicating that no more services should be performed without
750 a contract?

751 . A I don't know.

752 . Q What are the responsibilities of the COTR on a
753 government contract?

754 . A I would like to have the regulations specifically
755 in front of me. I'm not an expert on contracting or on what
756 it means to be a COTR.

757 . MR. SCHWEITZER: What is a COTR?

758 . THE WITNESS: Technical representative of the
759 contracting office, I believe is what that stands for.

760 . MR. OLIVER: Off the record.

761 . [Discussion off the record.]

762 . MR. OLIVER: Back on the record.

763 . BY MR. OLIVER:

764 . Q On this particular document, Exhibit 2, is it your
765 recollection that you became aware of these problems in the
766 summer of 1986?

767 . A Yes.

768 . Q Do you recall doing anything about resolving the

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769 problems that are described in this particular memorandum?
770 . A Yes.
771 . Q What did you do?
772 . A I called Rich Miller.
773 . Q And what did you say?
774 . A I said "take care of whatever problems you are
775 having with the DIS."
776 . Q Did you tell him that they could not continue to
777 perform services?
778 . A I didn't. I don't recall that I told him that.
779 . Q Were you aware that the contracting office had
780 indicated that they should not be performing services
781 without a contract?
782 . A If I may, this document doesn't even say that.
783 This document says "please move ahead and take care of this
784 problem, because otherwise there will be a problem."
785 . Q Let me, if I may, just read the last sentence in
786 this document, which says: "The procurement division
787 cannot award a contract on this basis nor can the services
788 continue to be performed in the absence of a contract."
789 . A Right, but the thrust, if I may, the thrust of the
790 rest of this is there are lines in here like "should this
791 effort fail, please make an effort," that this memo does
792 not say as of now there should be services performed. It
793 says "please make an effort to take care of this problem,

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794 so that services can be performed.'" This is not a "stop
795 all services all of a sudden" memo.

796 . MR. SCHWEITZER: You have answered the question.
797 Let him ask questions to you, Bob. There is no question
798 posed.

799 . BY MR. OLIVER:

800 . Q The bottom line says in the final paragraph, in the
801 last half of the sentence, "Nor can the services continue
802 to be performed in the absence of a contract."

803 . MR. SCHWEITZER: What is your question, Mr. Oliver?

804 . BY MR. OLIVER:

805 . Q My question is, as the COTR on this contract at
806 this time, with the responsibilities for overseeing the work
807 of the contractor, did you inform the contractor that he
808 could not perform these services in the absence of a
809 contract?

810 . A No.

811 . Q But you knew that he was not supposed to be
812 performing these services in the absence of a contract?

813 . A I didn't know that at all.

814 . Q Despite the fact that that is what is in this
815 memorandum?

816 . A We can go over this again. This memorandum says
817 "move ahead to get this thing taken care of, so that these
818 people can go ahead with what they are supposed to be

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819 doing.''

820 . Q What did Rich Miller tell you he would do?

821 . A He told me he would take care of the problem?

822 . Q And then what happened?

823 . A And then I think within a matter of two weeks, the

824 problem was taken care of and they got their DIS clearance

825 or they had their meeting that was required. Again, there

826 are documents on that, too.

827 . Q How was the problem taken care of?

828 . A I don't know.

829 . Q You had nothing to do with taking care of the

830 problem?

831 . A I was trying to make sure that these two groups

832 could get together so they could solve the problem, and they

833 did.

834 . Q The Defense Investigative Service?

835 . A That's right.

836 . Q And Rich Miller and Frank Gomez?

837 . A That's right.

838 . Q And you brought them together, or indicated that

839 they should get together. Is the answer yes?

840 . A What is the question?

841 . Q You facilitated bringing these people together or

842 having them get together?

843 . A Yes.

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844 . Q To resolve this?

845 . A Yes.

846 . Q This problem. Do you know a Mr. Robert Dixon?

847 . A No.

848 . Q Did you ever--

849 . A Is he in the administrative office of the State
850 Department?

851 . Q Yes.

852 . A Okay, I do know him I think.

853 . Q Did you ever discuss the IBC contract with him?

854 . A No.

855 . Q Mr. Dixon I believe is the person who sent you that
856 memorandum in June of 1986 that we have just been
857 discussing.

858 . MR. SCHWEITZER: What is your question?

859 . BY MR. OLIVER:

860 . Q Is that correct?

861 . A His name is ~~the~~ the thing on the "from" line.

862 . Q And you never discussed the IBC contract with him?

863 . A No, I don't recall discussing it with him.

864 . Q Did you ever discuss it with Barbara Garland?

865 . A No. I have never met Barbara Garland.

866 . Q Who did you discuss it with in the Department of
867 State besides Tom Calhoun?

868 . A Well, I discussed it with Elliott Abrams. I

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869 discussed it with Otto Reich when he was there, and at some
870 point I discussed it with the legal advisers office as well.

871 . Q When did you discuss it with Elliott Abrams?

872 . A On several occasions I would say beginning in the
873 early--well, soon after I arrived in the office.

874 . Q And what did you say to him and what did he say to
875 you about this contract?

876 . A I said that we were in this situation where this
877 contract was still pending. I didn't particularly like the
878 contract, and wanted to consider not going ahead with it,
879 but felt that the problem was that they had already been
880 providing services and they had already basically been told
881 that they ought to be providing services by the office
882 before I got there, and so I felt that we were in a bind.

883 . Q How did you know they had been told to continue to
884 provide service by the office before you got there?

885 . A Well, Rich Miller certainly told me that, and I
886 believe that Tom Calhoun told me that, and it was in fact
887 the case that they had been providing services up until that
888 time. I didn't need to be told. It was obviously the case.

889 . Q And what did Elliott Abrams tell you to do about
890 it?

891 . A He told me to make my best call.

892 . Q Which was what?

893 . A Which was ultimately, after discussing it with

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894 someone in legal advisers office, to just try to go ahead
895 and finish up the contract and then end it.

896 . Q Who did you discuss this with in the legal advisers
897 office?

898 . A Mary Ennis.

899 . Q This is June of 1986?

900 . A I don't know exactly when it was. It was sometime
901 in the late spring, early summer, I would guess, May-June.

902 . Q You indicated to her that you wanted this to go
903 forward?

904 . A No, I indicated to her that I wasn't sure I wanted
905 it to go forward, but my feeling was that we were already
906 into it, and that we might as well go forward, and she
907 agreed with that.

908 . Q After that June of 1986 series of meetings and
909 phone calls regarding this contract, did you as the COTR
910 begin to watch more closely what the performance of the
911 contractor was?

912 . A The performance of the contract under my
913 supervision was pretty much solely distribution of
914 documents, and I had many people working with them on
915 distributing documents, and they were doing so.

916 . Q How many people did you have working with you?

917 . A Well, people down on the fifth floor office were
918 working with them every day. I don't know, two, three,

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919 four.

920 Q What was the number of documents that they were
921 distributing?

922 A I don't have a figure off the top of my head.

923 Q Would it be several hundred?

924 A No. It was more than that. In the thousands.

925 Q More than 5000?

926 A More than 5000.

927 Q More than 10,000?

928 A Maybe more than 10,000. We can go on like this,
929 but you are getting into an area now where I would like to
930 have--the figures are already available.

931 Q It was my understanding, based on previous
932 examination of documents or testimony, as I recall, that the
933 mailing list was less than 3000 names that was compiled by
934 JBC for LPB. That is why I'm asking you the question as to
935 what your recollection is in terms of the number of
936 documents that were distributed.

937 MR. SCHWEITZER: Just one second. When you say
938 from previous testimony that there was 3000, can you provide
939 that to us?

940 MR. OLIVER: I'm saying it's from my recollection,
941 and I was trying to get a general number from the witness as
942 to what his understanding was.

943 MR. SCHWEITZER: He has answered that. He said that

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944 it's about 10,000 and more than 5000, about 10,000.

945 THE WITNESS: Let's take one example. There have
946 been some 50,000 copies of a booklet called "Challenge to
947 Democracy" distributed and I'm sure they distributed the
948 bulk of those.

949 BY MR. OLIVER:

950 Q How were these documents distributed?

951 A They were put in envelopes and mailed to various
952 different people, sometimes an organization wanted a hundred
953 and they would be provided to that organization. If there
954 was a speech going on, sometimes a speaker would want to
955 bring 50 or 100 with them. I mean there was a variety of
956 ways, but mostly it was through the mail.

957 Q Who paid for the printing of the documents?

958 A Mostly the State Department; in some cases, the
959 Defense Department also.

960 Q Who paid the postage for mailing the documents?

961 A The State Department.

962 Q And who provided the envelopes?

963 A State Department.

964 Q What did IBC do?

965 A They kept the mailing lists up to date, and stuffed
966 envelopes and made sure that everything happened when it was
967 supposed to happen.

968 Q What did the people you had on the fifth floor

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969 working on the documents do?

970 . A Providing them with the documents and whatever

971 other groups that we might want to send it to. I shouldn't

972 go on too long on this, because I wasn't directly involved

973 in the day-to-day activities. There were people working for

974 me who were supervising that operation.

975 . Q Was that Mr. Calhoun?

976 . A No. It was one of the deputies, at some point it

977 was Mr. Blacken. Later on it was Dan Fisk, Mr. Blacken.

978 . Q Mr. Blacken was working for you?

979 . A For a brief period.

980 . Q You inherited him from the Otto Reich regime?

981 . A Right.

982 . Q And he was your deputy?

983 . A Right, for a brief period.

984 . Q When you say a brief period, what do you mean?

985 . A Maybe a month or two months.

986 . Q Was he involved in the efforts to work out the

987 security clearance with IBC and Defense Investigative

988 Services?

989 . A I don't know.

990 . Q Was he the technical COTR provided^d to you on this

991 contract?

992 . A I have since learned that that was the case. I

993 didn't know at that time.

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994 . Q If he was still there working with you and he was
995 the COTR, why did you become the COTR?
996 . A I don't know. At some point he stopped working
997 there and they had to name a new COTR. I'm just
998 speculating.
999 . Q Are you familiar with the report of the Inspector
1000 General on the IBC contract?
1001 . A Not in all its specifics. It's a 70-something-page
1002 report, but I have read it.
1003 . Q Did you write comments on it?
1004 . A Yes.
1005 . Q That were included in the record?
1006 . A I don't know. Were they? I don't remember.
1007 . MR. SCHWEITZER: Is that the report?
1008 . MR. OLIVER: Yes, it's the report. Can we go off
1009 the record for a minute?
1010 . [Discussion off the record.]
1011 . [Recess.]
1012 . MR. OLIVER: I would like to ask the reporter to
1013 mark this document as Kagan Exhibit No. 3.
1014 . [The following document was marked as Kagan
1015 Deposition Exhibit 3 for identification:]
1016 . MR. OLIVER: This is a report from the Office of
1017 Inspector General dated July, 1987, audit report No. 7FP-
1018 008, titled "Special Inquiry into the Department's

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1019 Contracts with International Business Communications and its
1020 Principals."

1021 . BY MR. OLIVER:

1022 . Q Mr. Kagan^E, have you seen this report?

1023 . A Yes.

1024 . Q Do you agree with its findings?

1025 . A It has got a long list of findings, and I'm in no
1026 position to agree or disagree since they did a full
1027 investigation, the circumstances of which I'm not privy to.
1028 If you want to ask a specific question about a specific
1029 finding, I might be able to answer it.

1030 . Q Let's look at Roman I, page 1, the executive
1031 summary. The bottom of that page is a list of findings. It
1032 says, "The need for purchase orders and contracts was
1033 justifiable in the beginning, but was questionable in the
1034 later period as LPD's in-house staff grew and gained
1035 experience."

1036 . Do you agree with that finding?

1037 . A If I may, page 8, third full paragraph, "When
1038 leadership of S-LPD changed in mid-1986, the new coordinator
1039 came to the same conclusion and decided to stop contracting
1040 with IBC at the end of the fiscal year 1986 contract and to
1041 perform the work in-house."

1042 . Q Mr. Kagan^E, isn't it the case when you became
1043 coordinator in mid 1986, that the contract had not yet been

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1044 signed?

1045 . A That's right.

1046 . Q Security clearance had not yet been granted?

1047 . A That's right.

1048 . Q The memorandum which we examined earlier indicated

1049 that work should not be performed without the contract, is

1050 that correct?

1051 . A The memorandum said please move ahead with the

1052 security clearance so that work can be performed, continue

1053 to be performed.

1054 . Q You could have stopped the contract at that point,

1055 is that correct?

1056 . A I'm not sure that that is true. I don't know that.

1057 . Q The contract had not yet been signed?

1058 . MR. SCHWEITZER: What is your question, Mr. Oliver?

1059 . BY MR. OLIVER:

1060 . Q Is it true the contract had not yet been signed?

1061 . A True.

1062 . Q And the contract was not signed until September of

1063 1986?

1064 . A Correct.

1065 . Q And you took over in May of 1986?

1066 . A Correct.

1067 . Q And you were the technical COIR for this contract

1068 during that period of time from May of 1986 until September

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1069 of 1986, is that correct?

1070 . MR. SCHWEITZER: Let me object, Mr. Oliver. This
1071 is the first time in any of the testimony that we have been
1072 involved in where I'm getting the impression that this is
1073 not a fact-finding inquiry, but that you are arguing with
1074 the witness in order to attempt to get an answer that is
1075 satisfactory to you. He has answered that question about
1076 six times, and you have been over this territory about six
1077 times.

1078 . I think it is unfair for you to attempt to badger
1079 this witness. He is here to provide facts to this
1080 committee. He is doing it voluntarily, and I think what you
1081 are attempting to do is to badger him and to get an answer
1082 that you want, and if it is not satisfactory to him, you ask
1083 the question again and again and again.

1084 . Now, I think that is not appropriate for this
1085 particular proceeding, and this isn't a public hearing.
1086 This is a deposition that you are taking in order to gather
1087 facts, and I will object to that and we will have to find
1088 whatever remedy we then have subsequent to that, but I'm
1089 going to object and I have the right, as you well know, to
1090 object and direct him not to answer a question if I think
1091 that's repetitive.

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1093 DCMN MILTON

1094

1095 . MR. OLIVER: Thank you, Counsel. Your objection is
1096 noted.

1097 . I would just like to point out that I asked him a
1098 question about Roman numeral I on page 1. He referred me to
1099 page 8.

1100 . MR. SCHWEITZER: Correct.

1101 . MR. OLIVER: To a paragraph that said that the new
1102 coordinator came to the same conclusion and decided to stop
1103 contracting with IBC at the end of 1986 contract. I was
1104 just trying to determine for the record when he actually
1105 determined that they should stop contracting with IBC, and
1106 when he had the opportunity to do that, and I think the
1107 record shows that he had the opportunity to stop contracting
1108 with IBC earlier than the end of fiscal year 1986, and
1109 several months before the contract was signed, the contract
1110 for which he was the technical representative for the
1111 Department of State.

1112 . MR. SCHWEITZER: Mr. Oliver, your testimony is not
1113 interesting, I presume, not to the committee ~~for~~ to Mr.
1114 Kagan ^E ~~for~~ me. You are welcome to make it on the record if
1115 you want to since you are paying for this transcript.

1116 . Let me ask that question. Do we have a right to

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1117 have a copy of the transcript to this deposition?

1118 . MR. FRYMAN: Under the rules that have been given

1119 to you, Mr. Schweitzer, Mr. Kagan^E has a right to review the

1120 transcript and correct the transcript. Witnesses do not

1121 have a right to keep a copy of the transcript.

1122 . MR. SCHWEITZER: Similar to the Senate then. That

1123 was the situation in the Senate.

1124 . MR. FRYMAN: The rules are as I described. The

1125 witness will have a right to review the transcript and

1126 correct it.

1127 . MR. SCHWEITZER: Thank you very much, Mr. Fryman.

1128 What is the next question?

1129 . MR. OLIVER: I would like to enter into the record

1130 at this point Kagan^E Exhibit 4, and ask the reporter to mark

1131 this document as Exhibit 4 and to give it to the witness.

1132 . [The following document was marked as Kagan^E

1133 Deposition Exhibit 4 for identification:]

1134 . BY MR. OLIVER:

1135 . Q Mr. Kagan^E, you asked earlier--

1136 . MR. SCHWEITZER: Excuse me, Mr. Oliver. Would you

1137 let him read it, please?

1138 . MR. OLIVER: Off the record.

1139 . [Discussion off the record.]

1140 . MR. OLIVER: Back on the record.

1141 . BY MR. OLIVER:

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1142 . Q On the record, this is the Section G, entitled
1143 "'Contract Administration'" from the IBC contract which was
1144 performed during fiscal year 1986 by IBC for which Mr. Kagan⁶
1145 was the COTR for technical--

1146 . MR. SCHWEITZER: Let me object to that. I don't
1147 see anything from this piece of paper that is in front of me
1148 that says that. It may, but what we have is one sheet of
1149 paper that says "'Section G, Contract Administration.'" It
1150 is part of the IBC contract. Maybe we ought to see the
1151 whole contract so that I can verify that that is where it is
1152 coming from.

1153 . MR. OLIVER: Counsel, I will be glad to produce the
1154 whole contract for you. Mr. Kagan⁶ had earlier asked for the
1155 COTR section and we produced that. I was simply trying to
1156 provide an economy of time in Xeroxing so that we didn't
1157 have to put the entire contract on the record, but at your
1158 insistence we will do so.

1159 . Off the record.

1160 . [Discussion off the record.]

1161 . MR. OLIVER: Back on the record.

1162 . MR. SCHWEITZER: Mr. Oliver has shown me a contract
1163 or a document that is entitled "'U.S. Department of State,
1164 Contracts Branch, Contract No. 1001-602066,'" and Kagan⁶
1165 Exhibit 4 appears to be a word-for-word copy of page G-I of
1166 the document I just referred to.

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1167 . BY MR. OLIVER:

1168 . Q Mr. Kagan^E, do you recognize this document?

1169 . A Yes.

1170 . Q Were you aware of what your responsibilities were

1171 as the COTR, which I believe you testified began in May or

1172 June of 1986?

1173 . A I was generally aware, but I'm not sure I

1174 understand that I was COTR until I actually saw the contract

1175 which had me down as COTR or shortly before that, so it

1176 might not have been until August or September.

1177 . Q Who was the COTR during the performance of the

1178 contract?

1179 . A I don't know. I presume that I was after John

1180 Blacken.

1181 . Q Did you eventually certify to the proper department

1182 or division at the Department of State that the work had

1183 been performed under the contract?

1184 . A Yes.

1185 . Q Did you during the period of performance of the

1186 contract between May and September of 1986 provide technical

1187 liaison with the contractor?

1188 . A I was in contact with the contractor.

1189 . Q Did you inspect their work?

1190 . A Their work was taking place in the State

1191 Department, and people who were working for me were working

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1192 with them.

1193 . Q Were you carrying out the responsibilities for
1194 oversight of the contractor during that period of time?

1195 . A Over all, yes.

1196 . Q Did you certify in September-October of 1986 that
1197 all the work had been performed according to the contract?

1198 . A Yes, I did.

1199 . Q Did you discuss with John Blacken the work that had
1200 been performed on the contract prior to your becoming the
1201 COTR?

1202 . A I don't particularly recall that I did.

1203 . Q How do you know that the work was performed between
1204 October of 1985 and June of 1986?

1205 . A Well, we had the documentation of what their
1206 expenditures were from them, and all the people who had been
1207 working with them. I didn't hear from anybody that the work
1208 hadn't been done.

1209 . Q But you certified that the work had been done?

1210 . A That's right.

1211 . Q But nobody told you it had been done?

1212 . A I had no reason--

1213 . MR. SCHWEITZER: Objection. That is not what he
1214 said. He said that from October until June, he had records
1215 that he examined. Mr. Oliver, you are not here to put words
1216 in his mouth. You are here to elicit facts from him.

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1217 . MR. OLIVER: Counsel, the witness said that nobody
1218 told him the work hadn't been done. My simple question was,
1219 did anybody tell him it had been done.

1220 . MR. SCHWEITZER: And he answered that question.

1221 . MR. OLIVER: And you objected for some reason.

1222 . MR. SCHWEITZER: You have asked and answered that
1223 question. If you would like to ask him one more time that
1224 question, go ahead.

1225 . BY MR. OLIVER:

1226 . Q How did you determine, Mr. Kagan, that the work had
1227 been done between September or October 1st of 1985 and June
1228 of 1985 when you assumed the responsibility--

1229 . MR. SCHWEITZER: It has got to be June of '86.

1230 . BY MR. OLIVER:

1231 . Q June of '86, I'm sorry. How did you determine that
1232 the work had been performed in compliance with the contract
1233 during that period of time?

1234 . A The overwhelming bulk of their work was
1235 distribution of documents at that time and under my
1236 supervision, when I was at the Office of Public Diplomacy.
1237 I had every reason to understand that those documents had
1238 indeed been delivered, that they had been performing those
1239 services, because the documents did go out.

1240 . Q How did you know that the documents had gone out
1241 between October 1st, 1985, and June of 1986?

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1242 . A I didn't know. I assumed that they had.
1243 . Q So on the basis of your assumption, you certified
1244 that the work had been done?
1245 . A And on the basis of the documentation of what they
1246 had in terms of their own validation, their own
1247 documentation.
1248 . Q On the basis of their documentation?
1249 . A That's right.
1250 . Q Provided by IBC to you at the conclusion of the
1251 contract?
1252 . A That's right.
1253 . Q Were you aware that the Inspector General's office
1254 had been asked in 1986 to evaluate the proposal for the IBC
1255 contract?
1256 . A Which Inspector General's office?
1257 . Q Inspector General, Department of State.
1258 . A There are two Inspector Generals' offices, but I
1259 understand that the proposal was reviewed by whatever
1260 relevant body there was at the State Department to do that.
1261 . Q When did you understand that?
1262 . A I'm not sure. Sometime after I took over as office
1263 director, as coordinator.
1264 . Q Did this evaluation of the proposal take place in
1265 order to determine whether or not the proposal should be
1266 accepted?

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1267 . A I don't know.

1268 . Q Did you receive a copy of that Inspector General's
1269 audit in July of 1986?

1270 . A Not that I recall. I may have. I don't recall it.

1271 . Q Wouldn't it have been normal for you to receive a
1272 copy of that audit as the COTR on the contract?

1273 . A I don't know what would have been normal.

1274 . Q You were the head of LPD at that point?

1275 . A That's right.

1276 . Q The contract was through LDP with the Department of
1277 State, is that correct?

1278 . A Right.

1279 . Q And you signed the contract?

1280 . A Right.

1281 . Q You certified that the work had been performed?

1282 . A Right.

1283 . Q But you do not remember, is it your testimony that
1284 you do not remember seeing the audit report by the Inspector
1285 General in the summer of 1986?

1286 . A No, that is not my testimony. I may well have seen
1287 it.

1288 . MR. OLIVER: I would like to ask the reporter to
1289 mark as Kagan Exhibit 5 a document, the Inspector General,
1290 which contains report of an audit entitled, "Evaluation of
1291 Price Proposal, International Business Communications, July,

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1292 1986.'" State Department number is A-86-6. I ask the
1293 reporter to mark the document and to pass it to the witness.

1294 . [The following document was marked as Kagan^E
1295 Deposition Exhibit 5 for identification:]

1296 . BY MR. OLIVER:

1297 . Q Mr. Kagan^E, have you seen this document before?

1298 . A I don't recall actually ever seeing this document.

1299 . Q Do you recall anyone telling you about the
1300 document?

1301 . A No. It is possible that somebody did, but I don't
1302 recall.

1303 . Q In reading this document, Mr. Kagan^E, does it appear
1304 to you that this is an evaluation of a proposal for a
1305 contract?

1306 . MR. SCHWEITZER: Your question is now, in reading
1307 the document before him. Have you had an opportunity to
1308 read the entire document?

1309 . THE WITNESS: No.

1310 . MR. SCHWEITZER: Can we take the time then to have
1311 him do it?

1312 . THE WITNESS: The subject line explains what this
1313 piece of paper is.

1314 . MR. SCHWEITZER: But you haven't reviewed the
1315 entire document. You haven't had a chance to do that. He
1316 has asked you whether it does.

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1317 . MR. OLIVER: Could we go off the record for a
1318 minute.

1319 . [Discussion off the record.]

1320 . MR. OLIVER: Back on the record.

1321 . BY MR. OLIVER:

1322 . Q Have you had an opportunity to generally peruse
1323 this document, Mr. Kagan?

1324 . A I have generally perused this document.

1325 . MR. SCHWEITZER: Fifteen pages, if you believe the
1326 handwritten note at the bottom of the last page. I haven't
1327 counted the pages.

1328 . BY MR. OLIVER:

1329 . Q This document was issued in July of 1986 by the
1330 program Inspector General of the Department of State.

1331 . MR. SCHWEITZER: Objection. It's dated July 25,
1332 1986. There has been no testimony at least today that it
1333 was issued on that date.

1334 . MR. OLIVER: If you look at the cover page on page
1335 2, you will see "Program Inspector General Report of Audit,
1336 July, 1986," Counsel.

1337 . MR. SCHWEITZER: Right, that is what it says. I
1338 agree with you. I don't know that it was issued.

1339 . MR. OLIVER: I think we can only take documents
1340 based on what is on the face of them. If you don't believe
1341 what is on the face of these documents, there is really not

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1342 much I can do to satisfy you.

1343 . MR. SCHWEITZER: True, absolutely right.

1344 . MR. OLIVER: That is becoming obvious.

1345 . BY MR. OLIVER:

1346 . Q Mr. Kagan^E, the reason I asked you questions about
1347 this document is that you were the technical representative
1348 for contracts with IBC during this period of time, and I'm
1349 surprised and cannot understand why you did not know about
1350 this report or did not receive this report at that time, but
1351 is it your testimony that you were not aware of this report
1352 in July of 1986?

1353 . MR. SCHWEITZER: Objection. He has answered that
1354 question already, Mr. Oliver, and your surprise is
1355 immaterial to this inquiry. This is a fact deposition as I
1356 keep trying to remind you, and I'm assuming that the
1357 committee members and the staff are not going to be
1358 concerned with your surprise in this. If you want to ask
1359 him a fact question, another one that hasn't already been
1360 asked and answered, that is why we are here.

1361 . BY MR. OLIVER:

1362 . Q Mr. Kagan^E, I'm sorry, but I have sort of lost track
1363 of where we were. With interruptions, they sometimes
1364 interfere with the flow of my thought, and if I'm repeating
1365 a question, I'm sorry. I'm just trying to elicit the facts.

1366 . MR. SCHWEITZER: Thank you. I accept that.

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1367 . BY MR. OLIVER:
1368 . Q Were you aware in July of 1986 of this report by
1369 the program Inspector General regarding IBC?
1370 . A I don't recall being aware of this report.
1371 . Q Did Rich Miller discuss this audit with you?
1372 . A Not that I recall.
1373 . Q Were you in regular contact with Rich Miller during
1374 the period of time from May of 1986 until September of 1986
1375 that you were the technical representative for the
1376 performance of this contract?
1377 . A We probably spoke a couple of times a month.
1378 . Q Is it your testimony you do not recall him
1379 discussing this audit with you?
1380 . A That's right.
1381 . Q Did anyone else in your office to your knowledge
1382 receive a copy of this report in July of 1986?
1383 . A I don't know.
1384 . Q When did you first become aware of this Inspector
1385 General's report?
1386 . A I don't recall ever seeing this report before this
1387 time.
1388 . Q And this is the first time you were aware of this
1389 report?
1390 . A Yes. I mean this is the first time I have seen
1391 this report.

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1392 . MR. SCHWEITZER: You have answered his question.
1393 Just answer his question.
1394 . BY MR. OLIVER:
1395 . Q Prior to your certifying that the work had been
1396 performed on the contract with IBC for which you were the
1397 COTR, did you review the file on IBC's contract?
1398 . A Well, my executive assistant, Colonel Ron Lester,
1399 went through a whole bunch of files prior to awarding the
1400 contract, and I went through some, but I don't recall. I
1401 wouldn't say I went through the whole file.
1402 . Q Did Colonel Lester ever indicate to you that he was
1403 aware of this audit?
1404 . A Not that I recall.
1405 . MR. OLIVER: I would like to enter as Kagan Exhibit
1406 No. 6 the IBC contract that we have been discussing here
1407 today.
1408 . [The following document was marked as Kagan
1409 Deposition Exhibit 6 for identification:]
1410 . MR. SCHWEITZER: It would have been easier to do
1411 that a few minutes ago.
1412 . BY MR. OLIVER:
1413 . Q Mr. Kagan, is this a copy of the IBC contract which
1414 you signed on September 2nd?
1415 . A Just as a technical correction, I never signed the
1416 contract. The contracting office signed the contracts.

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1417 . Q Is this a copy of the IBC contract for which you
1418 were COTR?
1419 . A Yes, it appears to be.
1420 . Q In fiscal year 1986. Off the record.
1421 . [Discussion off the record.]
1422 . MR. OLIVER: Back on the record.
1423 . Let the record note that this is a copy of State
1424 Department contract 1001-602066, signed September 2, 1986,
1425 by Richard R. Miller and Barbara Garland.
1426 . BY MR. OLIVER:
1427 . Q Mr. Kagan, you recognize this contract as the
1428 contract for which you were the COTR, is that correct?
1429 . A Yes, I do.
1430 . Q Would you turn to the last two pages of this
1431 document, and you will see there a memorandum to you from
1432 Barbara Garland, who was the contracting officer, the
1433 subject of which is delegation of the contracting officer's
1434 technical representatives' responsibility and authority; is
1435 that correct?
1436 . A Right.
1437 . Q Have you seen them before?
1438 . A Yes, I have.
1439 . Q When did you first see that memorandum?
1440 . A Sometime in September.
1441 . Q If you will look at the next to the last paragraph

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1442 on the second page of that memorandum, it says, and I quote
1443 from the document: "'Upon completion of the contractor's
1444 work, an inspection shall be performed by the COTR, and any
1445 deviations from contract requirements such as shortages or
1446 deficiencies shall be brought to the attention of the
1447 contracting officer in writing.'"

1448 . Did you perform such an inspection?

1449 . A Yes. We went through all the documentation that we
1450 had, and went through a process of making sure that what
1451 they charged was in accordance with what they had done.

1452 . Q Did you perform such an inspection?

1453 . A No. I had my executive assistant, Colonel Lester,
1454 look into that.

1455 . Q If you will read the last paragraph on that page,
1456 it says, and I quote: "'Delegation of authority is limited
1457 to the above referenced contract and is not subject to
1458 redelegation by you, and may be terminated at any time by
1459 written notice to you from the contracting officer.'"

1460 . A I didn't delegate the authority. I kept the
1461 authority, but I had my executive assistant look over the
1462 papers for me and discuss it with me. That is different
1463 from delegating authority.

1464 . Q But you did not conduct the inspection yourself?

1465 . A I worked with Colonel Lester on inspecting this
1466 contract.

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1467 . Q Did he inspect the performance of the contract?
1468 . A Yes.
1469 . Q And did he tell you that the contract had been
1470 performed adequately?
1471 . A Yes.
1472 . Q And it was on his recommendation that you certified
1473 that the contract had been performed and recommended that
1474 payment be made to IBC?
1475 . A It was on the basis of what he went over and on my
1476 own recommendation.
1477 . Q Did Colonel Lester inform you at that time of the
1478 audit report of the program Inspector General that had taken
1479 place in July?
1480 . A You have asked me whether Colonel Lester informed
1481 me of the audit at any time, and I don't recall that he did.
1482 . Q You have indicated that he did inspect, you and he
1483 did inspect the file and inspect the performance of the
1484 contract, is that correct?
1485 . A Yes.
1486 . Q Is it your testimony that that inspection did not
1487 reveal the audit of the program Inspector General that was
1488 issued in July of 1986?
1489 . A It's my testimony that I don't recall, that I have
1490 not seen this audit before and I don't recall being aware of
1491 it.

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1492 . Q So that would mean you do not recall Colonel Lester
1493 ever informing you of this audit.

1494 . MR. SCHWEITZER: He has answered the question.
1495 That is what he said.

1496 . MR. OLIVER: I'm just trying to clarify, Counsel.
1497 He said that he did not recall ever seeing the audit.

1498 . MR. SCHWEITZER: Correct.

1499 . MR. OLIVER: I'm asking him whether or not he
1500 recalls whether Colonel Lester ever told him about it.

1501 . MR. SCHWEITZER: He has answered that and he said
1502 no.

1503 . BY MR. OLIVER:

1504 . Q Is that your answer?

1505 . A Yes.

1506 . Q The answer is no.

1507 . MR. SCHWEITZER: That is markedly different than
1508 whether or not it was part of the investigation that took
1509 place, Mr. Oliver.

1510 . BY MR. OLIVER:

1511 . Q What I'm trying to determine, Mr. Kagan, is whether
1512 there was any oversight of the performance of this contract
1513 by you during the contracting period in accordance with the
1514 requirements of the COTR. Is it your testimony that you
1515 believe you performed the function of COTR adequately during
1516 that period of time?

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1517 . A Yes. I just want to point out also that the
1518 Inspector General's report, which has been entered into the
1519 record, went through the contract and what services were
1520 performed under it in rather great detail, did a full
1521 Inspector General's investigation of it.

1522 . Q Which Inspector General's report are you talking
1523 about? We have two of them.

1524 . A The one that is in your hands, Exhibit No. 3.

1525 . Q And that Inspector General's report to which you
1526 are referring indicated, did it not, that there were many
1527 problems with that contract?

1528 . A Yes, it did.

1529 . Q Were you aware at any time of the discussions that
1530 took place relative to the need for classification of the
1531 IBC contract within LPD?

1532 . A No.

1533 . Q Did those discussions take place prior to your
1534 becoming the head of LPD?

1535 . A The terms of the contract were all laid out prior
1536 to my coming to LPD.

1537 . Q Were you aware of the Inspector General's finding
1538 that the contract should not have been classified?

1539 . A Yes.

1540 . Q By the Department of State?

1541 . A Yes.

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1542 . Q Were you aware at the time of the need for
1543 classification of this contract prior to your signing the
1544 contract or prior to your becoming the COTR contract in
1545 September of 1986?

1546 . A No.

1547 . Q Are you aware, Mr. Kagan, that the reason that the
1548 Inspector General found for classification of the contract
1549 was due in their opinion to the fact that they were trying
1550 to avoid the public-bidding process for the contract?

1551 . A I'm aware that that is what the Inspector General
1552 decided, in their opinion.

1553 . Q Was the reason that you terminated the relationship
1554 with IBC at the end of fiscal year 1986 due to the fact that
1555 you could not award them another sole-source contract?

1556 . A No.

1557 . Q Why did you terminate the relationship with IBC at
1558 that time?

1559 . A I thought the contract was a great deal of money
1560 for services that I felt could be done in-house.

1561 . Q And did you inform Rich Miller of that?

1562 . A I informed Rich Miller that I wouldn't be asking to
1563 continue with the contract.

1564 . Q And what did he say?

1565 . A He said fine.

1566 . Q Were you aware during 1985 and 1986 of Rich

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1567 Miller's work with Colonel North?
1568 . A No.
1569 . Q Were you aware of Spitz Channell's work with
1570 Colonel North?
1571 . A No.
1572 . Q Were you aware of Bruce Cameron's work with Colonel
1573 North?
1574 . A No.
1575 . Q Were you aware of Penn ~~K~~^Eimble's work with Colonel
1576 North?
1577 . A I was aware that Bruce Cameron and Penn ~~K~~^Eimble knew
1578 Colonel North. I don't know what you mean by work.
1579 . Q I think it's fairly well on the record at this
1580 point that Rich Millar was working rather closely with
1581 Colonel North.
1582 . A You are asking me about Penn ~~K~~^Eimble and Bruce
1583 Cameron.
1584 . Q I thought I said you don't know what you meant by
1585 work.
1586 . A In the case of Penn ~~K~~^Eimble and Bruce Cameron.
1587 . Q What was your understanding of Bruce Cameron's
1588 relationship with Colonel North, his work with Colonel
1589 North?
1590 . A I have no particular understanding of it.
1591 . Q Did you have any understanding of what Penn

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1592 ^EKamble's relationship or work with Colonel North was?

1593 . A No.

1594 . Q Did you understand that their relationship with

1595 Colonel North was related to the Nicaraguan resistance?

1596 . A I can't say what their relationship was based on,

1597 but it may have in part been based on having to do with

1598 Nicaraguan resistance.

1599 . Q Do you know Mr. Marty Artiano?

1600 . A No.

1601 . Q Do you know David Fischer?

1602 . A No.

1603 . Q During the period of time that you were special

1604 assistant to Elliott Abrams, were you aware of a luncheon

1605 that Elliott Abrams attended with Spitz Channell, Rich

1606 Miller, Frank Gomez, Marty Artiano, David Fischer and Dan

1607 Conrad?

1608 . A I don't recall being aware of that, no.

1609 . Q Were you aware that Mr. Abrams was asked to speak

1610 at a White House briefing on January 30, 1986?

1611 . A I don't recall specifically. It is likely that I

1612 would have been aware that he was speaking at the White

1613 House.

1614 . Q Were you aware that this speech was to a group of

1615 people who had made substantial contributions to support the

1616 President's policies in Central America?

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1617 . A No.

1618 . Q Did Mr. Abrams ever discuss with you after that

1619 meeting what had occurred there?

1620 . A No.

1621 . Q Were you aware of something called the Central

1622 American freedom plan?

1623 . A No.

1624 . Q Central American freedom program, I'm sorry.

1625 . A No.

1626 . Q Did you know that there was an effort by a group of

1627 private organizations to influence the Congress on the vote

1628 for assistance to the resistance in Nicaragua?

1629 . A No.

1630 . Q What did you think was the purpose of the meeting

1631 you attended at PRODEMCA with Penn Kimble, Bruce Cameron,

1632 Dan Kuykendall, Rich Miller and congressional aides?

1633 . A It was discussion of the pending vote.

1634 . Q Was it a strategy meeting on the pending vote?

1635 . A You might characterize it as that, yes, maybe.

1636 . Q So you were aware that these people were involved

1637 in that effort?

1638 . A In what effort?

1639 . Q The effort to influence the Congress on a pending

1640 vote for aid to the Nicaraguan resistance?

1641 . A I have to say I can't say specifically that I was

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1642 aware of what any given individual, most of whom I didn't
1643 know, were involved in.

1644 . Q You knew Penn Kimble quite well, is that correct?

1645 . A I don't know that I knew him quite well at the
1646 time.

1647 . Q When did you first meet Penn Kimble?

1648 . A I would say--I don't know when I first met him. I
1649 may have met him at functions over the years, but I didn't
1650 really get to know him until I went to work at Inter-
1651 American Affairs Bureau.

1652 . Q When you say over the years, how many years are you
1653 talking about?

1654 . A I met him at a Committee for the Free World
1655 conference in 1984 or in 1983, and I knew of his writing.

1656 . Q Who invited you to that meeting?

1657 . MR. SCHWEITZER: Which meeting?

1658 . MR. OLIVER: The meeting that we are discussing at
1659 Penn Kimble's office at PRODEMCA.

1660 . THE WITNESS: I think Penn may well have.

1661 . BY MR. OLIVER:

1662 . Q Why did you go?

1663 . A I was curious to see what people thought about how
1664 the situation on the Hill was.

1665 . Q And you were introduced to Dan Kuykendall at that
1666 meeting, is what you testified earlier, is that correct?

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1667 . A Yes. I don't want to be too confident on that, but
1668 I believe that is likely, possible.

1669 . Q Did you see that Dan Kuykendall worked for Penn
1670 ^EKamble?

1671 . A No.

1672 . Q You knew he worked for another organization?

1673 . A I didn't know who he worked for but I wasn't under
1674 the assumption that he worked for Penn ^EKamble.

1675 . Q When you were introduced to him, what were you told
1676 was his role in this meeting?

1677 . A I just knew that he was a former Congressman.

1678 . Q What was Rich Miller's role at this meeting to your
1679 understanding?

1680 . A I didn't know what his role was.

1681 . Q You were during this period of time attending the
1682 RIG meetings, is that correct?

1683 . MR. SCHWEITZER: Let me object, Mr. Oliver. We
1684 have been over this twice now. We are going over it a third
1685 time. Yes, he attended the RIG meetings.

1686 . MR. OLIVER: Counsel, I haven't finished my
1687 question yet. If you wish to object to my question when I
1688 finish, you have a right to do so.

1689 . MR. SCHWEITZER: I apologize to you. I did
1690 interrupt you. I'm sorry. I will let you finish your
1691 question.

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1692 . BY MR. OLIVER:

1693 . Q You were attending the RIG meetings at this time
1694 which dealt with congressional--what was happening on the
1695 congressional vote to some extent, is that correct?

1696 . A That those meetings to some extent dealt with that
1697 issue?

1698 . MR. SCHWEITZER: Now I will object in that we have
1699 been over this I think at least once, maybe twice.

1700 . MR. OLIVER: Very well, I will rephrase the
1701 question.

1702 . BY MR. OLIVER:

1703 . Q I will ask you once again, if I may. Is it your
1704 testimony that you were not aware of the efforts of these
1705 private groups to influence the vote on aid to the
1706 Nicaraguan resistance in the Congress?

1707 . A I don't know what private groups you are referring
1708 to.

1709 . Q I will name them. PRODEMCA, were you aware of
1710 their efforts to influence the vote in the Congress?

1711 . A I know that they were in favor of getting aid to
1712 the Nicaraguan resistance, but I do not know what
1713 specifically they were doing to bring that to fruition.

1714 . Q My question was whether or not you knew of the
1715 efforts of these private groups to influence the vote in the
1716 Congress?

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1717 . A Right.

1718 . Q And you asked me which groups, so I will name these

1719 groups and the question associated with each one is, did you

1720 know or were you aware of their efforts to influence the

1721 vote in the Congress?

1722 . MR. SCHWEITZER: And he answered that as to

1723 PRODEMCA. What is the next one?

1724 . BY MR. OLIVER:

1725 . Q The Gulf and Caribbean Foundation?

1726 . A I don't know what the Gulf and Caribbean Foundation

1727 was.

1728 . Q The National Endowment for the Preservation of

1729 Liberty?

1730 . A I didn't know what that was.

1731 . Q The Center for Democracy in the Americas?

1732 . A I don't know what the goal of the Center for

1733 Democracy in Americas was.

1734 . Q I would like to ask you about some individuals who

1735 were associated with these organizations. Bruce Cameron?

1736 . A I to this day do not know what Bruce's goal was.

1737 . Q Do you know what his job was?

1738 . A No.

1739 . Q Penn ^{Ex}Knable?

1740 . A Penn ^EKnable was the head of PRODEMCA.

1741 . Q My question was, were you aware of whether or not

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1742 he was involved in attempting to influence the vote in the
1743 Congress on aid to the resistance?

1744 . A I have answered that question. I know that he was
1745 in favor of aid to the resistance, and I don't know what he
1746 was doing to carry out, to bring that to fruition.

1747 . Q Were you aware of efforts by Rich Miller to
1748 influence the vote in the Congress in 1986 on aid to the
1749 resistance?

1750 . A I was not.

1751 . Q Were you aware of the television ads that were run
1752 in the Washington area by the National Endowment for the
1753 Preservation of Liberty or the American Conservative Trust
1754 or Sentinel related to the vote in the Congress on aid to
1755 the resistance in Nicaragua?

1756 . MR. SCHWEITZER: What was the third one, Sentinel?

1757 . BY MR. OLIVER:

1758 . Q Sentinel.

1759 . A I was aware of television ads. I don't think I
1760 know who was sponsoring them.

1761 . Q Did you know who was sponsoring them?

1762 . A No.

1763 . Q Did you attempt to find out?

1764 . A No.

1765 . Q Did you ask anybody who was sponsoring these ads?

1766 . MR. SCHWEITZER: Objection. He just answered that.

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1767 Did you attempt to find out?

1768 MR. OLIVER: Counsel, the witness was the director.

1769 He was a special assistant to the assistant secretary of
1770 State for Latin America. He was attending meetings in the
1771 White House on ^{the} Office of Public Diplomacy. He was attending
1772 the RIG meetings that involved discussions of the
1773 congressional vote. He was attending strategy meetings at
1774 PRODEMCA. He was deeply involved in the Central American
1775 policies of this administration, and what I'm trying to find
1776 out is whether or not he was aware of what was going on in
1777 the effort to influence the vote in the Congress.

1778 MR. SCHWEITZER: Mr. Oliver, you certainly have a
1779 right to do that and ask questions. When questions have
1780 been asked and answered, I think it's a waste of our time to
1781 continue to ask the same thing, plus my view is that what
1782 you are doing is you are badgering this witness at a fact
1783 deposition where you are attempting--I presumed when we came
1784 up here that you were attempting to gain facts for your
1785 reports. That is what Mr. Fryman told me. Now, you don't
1786 like the answers that you are getting.

1787 MR. OLIVER: I didn't say that, Counsel. That is
1788 your characterization.

1789 MR. SCHWEITZER: It's my characterization, but I
1790 doubt that anyone who reads this transcript will have any
1791 other view of that, and as a result of not liking the

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1792 answers to the questions that you are getting, you are
1793 asking questions 18 different times, the same questions, and
1794 he is giving you the same answer.

1795 . Now, at a fact deposition, we are not at a hearing
1796 today, as I said once before. We are here voluntarily to
1797 provide information to this committee truthfully, as he has
1798 done in the Senate and before the Special Prosecutor. This
1799 man has been harried and harassed by all of you. He has
1800 attempted to do his job and you are continuing to do that.
1801 Let me rephrase that. I don't want for a second to have on
1802 the record that I think the Senate people did that. They
1803 did not, nor do I want to say that the Special Prosecutor
1804 did that, because he didn't. I felt that both of those
1805 proceedings he was asked in great detail fact questions, but
1806 they were fact questions. Today, for the first time, I
1807 believe that you are attempting to harass him, and I object
1808 to that. I think that is an improper use of this committee,
1809 and I think it's the wrong way to proceed.

1810 . I have tried to proceed as you would at a
1811 deposition, and that is a fact deposition where you are
1812 attempting to get information. You keep looking at the
1813 clock. You are the one that is taking all the time, not us,
1814 and Mr. Fryman and I have an agreement that at 12 o'clock or
1815 sometime shortly thereafter, we would continue, and at 12
1816 o'clock I would like to ask you where we are going, but

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1817 let's go back to asking him questions, and I would request
1818 that you don't ask the same question over and over and over
1819 again because you are dissatisfied with the answer.

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1820 RPTS THOMAS

1821 DEMN*ROEBER

1822

1823 . MR. OLIVER: Counsel you have a right to object on
1824 whatever grounds you believe are proper.

1825 . MR. SCHWEITZER: I appreciate that.

1826 . MR. OLIVER: I am going to ask the questions in the
1827 ways that I believe will elicit the facts that we are trying
1828 to ascertain here. If I repeat the question or rephrase the
1829 question, it is because I may not have asked it correctly.
1830 I am not concerned about what the answers are, it is just
1831 that we get the complete answers.

1832 . One of the reasons that I have asked these
1833 questions several times is because Mr. Kagan^E was in a
1834 central position related to Central American policies at the
1835 time that all these things were occurring, and I am trying
1836 to determine what he knew and what his involvement was in
1837 these activities at this time. I will try to make the
1838 questions brief, and get on with this as fast as we can but
1839 I object to your characterization of whether or not I like
1840 or dislike the answers because that is not the purpose of
1841 this deposition. You could come to whatever conclusions you
1842 wish, but I can assure you that liking or disliking the
1843 answers has nothing to do with these questions.

1844 . MR. SCHWEITZER: If a Committee member reads this,

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1845 you have asked the same questions six times over and if he
1846 can reach any other conclusion, I will ^{be} darned surprised.
1847 Let's continue.

1848 . We are here for precisely the reason you stated,
1849 that is to elicit facts from this man. We have done it as I
1850 have said on four occasions in the past, and I am sure you
1851 have--at least I am sure--not from the special prosecutor,
1852 from the Senate that testimony available. I thought, as you
1853 rightly stated at the beginning of the deposition, the
1854 Senate investigator did not go into the IBC contract in
1855 detail. I felt that was an appropriate inquiry here because
1856 they did not, and if we are going over the RIG meetings, and
1857 the Office of Public Diplomacy which they went into and Mr.
1858 Smiljanich went into it in great detail, or any of the other
1859 areas, I think it is a waste of our time, and it sure as
1860 hell is a waste of our time.

1861 . BY MR. OLIVER:
1862 . Q Mr. Kagan, in your position as special assistant to
1863 to Assistant Secretary Regan or Director of the Office of
1864 Public Diplomacy--

1865 . MR. SCHWEITZER: Assistant Secretary?
1866 . MR. OLIVER: Abrams.
1867 . MR. SCHWEITZER: You said Regan.
1868 . MR. OLIVER: Sorry.
1869 . BY MR. OLIVER:

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1870 . Q I meant Abrams. What was your involvement in the
1871 legislative activities on behalf of the Administration to
1872 secure assistance to the Nicaraguan resistance?
1873 . A I was an adviser to Assistant Secretary Abrams and
1874 tried to provide him with information on what I took the
1875 Congressional situation to be.
1876 . Q And how did you obtain that information?
1877 . A By talking to staff, by talking to people who know
1878 what the Congressmen were thinking, by reading the
1879 newspapers, by judging, by going over past votes.
1880 . Q Did you participate in strategy sessions related to
1881 this vote within the Department of State?
1882 . A Sure.
1883 . Q Did you meet with the legislative officers of the
1884 Department of State?
1885 . A Occasionally.
1886 . Q It is your testimony that during this time that you
1887 were giving advice to the Assistant Secretary on the
1888 legislative situation, that you were not aware of the
1889 efforts of these private groups to influence that vote?
1890 . MR. SCHWEITZER: I will object. That has been
1891 asked and answered a number of times.
1892 . THE WITNESS: I would say that is correct.
1893 . MR. OLIVER: Thank you, Mr. Kagan.
1894 . BY MR. OLIVER:

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1895 . Q Are you aware of any involvement of Colonel North
1896 in the legislative effort on behalf of the Administration?
1897 . A Am I now aware?
1898 . Q Were you aware at the time?
1899 . A When I was Special Assistant?
1900 . Q Talking about the period of 1986, in the period
1901 prior to the votes which occurred in, I believe, April and
1902 June.
1903 . A Colonel North certainly concerned himself with the
1904 legislative issues.
1905 . Q How did he concern himself?
1906 . A He participated in meetings where legislative
1907 issues arose.
1908 . Q That would be the RIG?
1909 . A The RIG, sure.
1910 . Q And the meetings which took place in what?
1911 . A Not really there, mostly in the RIG.
1912 . Q Were you aware of his participation in any meetings
1913 outside of the RIG in Congressional strategy?
1914 . A I wasn't aware of any meetings that were taking
1915 place that I wasn't a part of.
1916 . Q Were you aware of IBC's relationship with Spitz
1917 Channell during the time that you were the COTR for the
1918 contract with IBC?
1919 . A No.

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1920 . Q When did you become aware of IBC's relationship
1921 with Spitz Channell.

1922 . A I would say sometime after this was all disclosed
1923 to the public.

1924 . Q In your earlier testimony you discussed with Mr.
1925 Smailjanich and Mr. Traylor your involvement in the effort to
1926 obtain funds in relationship, ~~for~~^{by} lawyer, in relationship to
1927 the Hasenfus incident?

1928 . MR. SCHWEITZER: Are you asking when he testified?
1929 You have got the transcript right there. If you want to ask
1930 him a questions, why don't you show him the transcript? I
1931 ask that you show him the transcript.

1932 . MR. OLIVER: Let me rephrase the question.

1933 . MR. SCHWEITZER: Thank you.

1934 . BY MR. OLIVER:

1935 . Q What was your involvement in attempting to obtain
1936 assistance for Mr. Hasenfus after he was captured by the
1937 Sandinistas in Micarargua?

1938 . A I had no involvement.

1939 . Q Were you aware that Mr. Abrams called Colonel North
1940 seeking his assistance in providing funds for the return of
1941 the bodies of Mr. Sawyer and Mr. Cooper to the United States
1942 after they were killed in the plane crash in Micozragua?

1943 . A I wasn't aware at the time.

1944 . Q Did you know that the money which was provided for

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1945 | that purpose came from Rich Miller?

1946 | . A No.

1947 | . Q So you were not aware of any funds provided by or
1948 | through IBC to the resistance or to the private groups that
1949 | were attempting to influence the vote or to provide
1950 | assistance for the return of the bodies killed in the
1951 | Hasenfus plane crash?

1952 | . MR. SCHWEITZER: That is a lengthy question plus
1953 | you are assuming a fact not in evidence. Your question, so
1954 | you were not aware, are you asking him was he aware of, then
1955 | these lengthy pieces of those questions.

1956 | . BY MR. OLIVER:

1957 | . Q Were you aware that Richard Miller and IBC were
1958 | providing funds to the resistance in Nicaragua?

1959 | . A No.

1960 | . Q Were you aware that Richard Miller and IBC were
1961 | providing funds to Colonel North, or through Colonel North,
1962 | or at Colonel North's direction, directed to provide
1963 | assistance to the Nicaraguan resistance?

1964 | . A No.

1965 | . Q Were you aware that Richard Miller and IBC were
1966 | involved in arranging a meeting at the White House, for
1967 | contributors to Spitz Channell's operations?

1968 | . A No.

1969 | . Q I would like to have a five-minute break and confer

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1970 with Mr. Fryman, if I may.

1971 [Short recess]

1972 MR. SCHWEITZER: It is 11:40 right now.

1973 MR. OLIVER: We will try to finish by 12:00
1974 o'clock.

1975 MR. SCHWEITZER: Good.

1976 BY MR. OLIVER:

1977 Q Mr. Kagan have you discussed your testimony before
1978 this committee, your depositions before this committee with
1979 anyone other than your lawyer?

1980 A Sure.

1981 Q Who have you discussed it with?

1982 A My wife, my parents, some friends, occasionally,
1983 with people in the Department.

1984 Q Other than your wife and your family, who have you
1985 discussed your testimony with in the Department of State,
1986 or--

1987 MR. SCHWEITZER: I am going to let him answer the
1988 question because his answer is an innocent one, but I am
1989 going to object because there are a lot of implications that
1990 run from that. It is not a question that--strike that. I
1991 object because there are a lot of implications that run,
1992 that go from the question, but go ahead and answer that.

1993 THE WITNESS: I would say with members of the
1994 Department I haven't really discussed substance, I have

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1995 mostly discussed the facts or the tone or, generally, what
1996 they have been like with a number of people--Bill Walker,
1997 Danny Watinburg, others in the office. I haven't discussed
1998 substance with Mr. Abrams, but I have discussed the fact of
1999 testimony with him.

2000 . MR. SCHWEITZER: Let me say also, if there is an
2001 implication here from this question, that there is any kind
2002 of subornation of perjury or manufacturing of testimony, I
2003 strongly object to that, Mr. Oliver.

2004 . MR. OLIVER: There is no such implication, counsel.

2005 . MR. SCHWEITZER: Thank you.

2006 . BY MR. OLIVER:

2007 . Q Have you discussed your testimony here with Richard
2008 Miller?

2009 . A No.

2010 . Q Have you discussed it with Frank Gomez?

2011 . A No.

2012 . Q Have you discussed it with Penn ^{Kamble?}~~Kimball?~~

2013 . A Only the fact of the testimony, not the substance.

2014 . Q When you say the fact of the testimony, you mean
2015 the fact that you have testified but not what you have
2016 testified to?

2017 . A Right.

2018 . Q Have you discussed anyone else's testimony with

2019 anyone other than your lawyer and what--when I say that, I

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2020 mean I am referring to anybody whose name has been mentioned
2021 here today in connection with this deposition.

2022 MR. SCHWEITZER: Do you mean have you discussed
2023 their testimony?

2024 MR. OLIVER: That is correct.

2025 MR. SCHWEITZER: With them?

2026 MR. OLIVER: That is correct.

2027 MR. SCHWEITZER: Other than discussing their
2028 testimony with me?

2029 THE WITNESS: People who have been named in the
2030 course of our conversations today, I don't think so.

2031 BY MR. OLIVER:

2032 Q Other than Mr. Abrams and Mr. Walker, who else in
2033 the Department of State have you discussed the substance of
2034 your testimony with?

2035 A I discussed it briefly with Otto ^{Reich.} ~~Wright~~, but it was
2036 mostly--we were discussing the questions that Congressman
2037 Fascell was asking, but that related to, came out up a
2038 little about with Ambassador ^{Reich.} ~~Wright~~.

2039 Q When did you discuss this with Ambassador ^{Reich.} ~~Wright~~.

2040 A When was Congressman Fascell asking his questions.
2041 You ought to know that.

2042 Q It was May and August of this year.

2043 A No. He was asking specific questions of Bud

2044 McFarlane and others. I don't know, maybe a month ago,

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2045 | maybe a month and a half ago.

2046 | . Q You discussed it when he was here in Washington?

2047 | . A That is right.

2048 | . Q And you discussed his testimony, the substance of

2049 | his testimony, at that time?

2050 | . A Not at any great length. He said they were asking

2051 | him something, he was saying, he didn't know what they were

2052 | talking about, it was very briefly.

2053 | . Q Did you discuss the IBC matter with Ambassador

2054 | ^{Reich}~~Wright~~ during these conversations?

2055 | . A No.

2056 | . Q Did you ever discuss your testimony with John

2057 | Blacken?

2058 | . A No, John Blacken has been in Guinea-Bissau for the

2059 | last--

2060 | MR. SCHWEITZER: The answer is no.

2061 | BY MR. OLIVER:

2062 | . Q Did you discuss your testimony with anyone in the

2063 | White House?

2064 | . A No.

2065 | . Q I have no further questions at this time. I

2066 | believe Mr. Buck has some questions, and Mr. Fryman may have

2067 | some questions.

2068 | MR. FREYMAN: I have no questions, Mr. Buck?

2069 | MR. BUCK: I have a few short questions.

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2070 BY MR. BUCK:

2071 Q I am wondering, are you aware of any human rights
2072 abuses by the Sandinista government?

2073 A I am aware of many, many, many, human rights abuses
2074 by the Sandinista government.

2075 Q Can you list a few that just come to mind, maybe a
2076 few of the more egregious ones.

2077 A The most egregious ones in the last few months have
2078 been the massive relocation of Nicaraguan campesinos from
2079 the Uvaguine area, as well as the systematic bombing of the
2080 population in order to depopulate the areas so to make it a
2081 free-fire zone.

2082 Q Thank you, I have no further questions. Flynn?

2083 MR. FLYNN: No. Thank you very much for your
2084 testimony.

2085 MR. OLIVER: Thank you very much. I have no
2086 further questions. Let the record note that we have
2087 finished before 12:00 o'clock and we appreciate your
2088 cooperation.

2089 [At 11:50 a.m. the deposition was adjourned.]



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H3ITS-6187

DEPOSITION OF
ALTON G. KEEL

Select Committee to Investigate
Covert Arms Transactions with
Iran,
U.S. House of Representatives,
Washington, D.C.

Wednesday, March 18, 1987

The deposition convened at 9:35 a.m. in Room B-352
Rayburn House Office Building.

Present: W. Neil Eggleston, Deputy Chief Counsel, House
Select Committee to Investigate Covert Arms Transactions
with Iran; George Van Cleve, Chief Minority Counsel, Select
Committee to Investigate Covert Arms Transactions with
Iran.

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National Security Council
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~~TOP SECRET~~

3

1 (9:35 a.m.)

2 MR. EGGLESTON: Thank you, Dr. Keel. Do I say
3 "Mr. Ambassador"?

4 THE WITNESS: "Al" will do, actually.

5 MR. EGGLESTON: Thank you for coming today.

6 For the record, I am Neil Eggleston, Deputy
7 Chief Counsel of the House Select Committee to Investigate
8 Covert Arms Transactions with Iran. Also present is
9 George Ven Cleve, Chief Minority Counsel.
10 Whereupon,

11 ALTON G. KEEL

12 was called as a witness and, having been duly sworn, was
13 examined and testified as follows:

14 EXAMINATION BY COUNSEL FOR THE SELECT COMMITTEE

15 BY MR. EGGLESTON:

16 Q Dr. Keel, I know you are leaving shortly. I will
17 go through this as quickly as I possibly can. I would like
18 to tell you where I and Mr. Van Cleve would like to go.

19 We would like a little bit about your background.
20 We would like to focus mostly on the events of November
21 of 1986 and probably go back and ask you questions about
22 the period September and October.

23 If you could just as briefly as you can describe
24 your education and professional background up to September
25 of 1986, that would be helpful.

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4

1 A Certainly. I will try to be both brief and
2 modest.

3 I have a doctorate in engineering and did begin
4 my career doing research with the Department of the Navy
5 on weapons systems. Ultimately, joined the Senate Armed
6 Services Committee about 1976, 1977 as a professional
7 staff member and worked on the professional staff until
8 about 1981 when I was appointed as Assistant Secretary of
9 the Air Force for Research and Development.

10 I had that position until 1982 when I was
11 appointed as Associate Director of OMB for International
12 Affairs and National Security, maintained that position
13 until February of 1986 when I was asked to be the
14 Executive Director of the Shuttle Commission and served
15 there throughout the Challenger investigation until
16 August of 1986.

17 Then I was asked in September to join NSC on a
18 temporary basis when the Deputy Director there was gravely
19 ill and agreed to come in on a temporary basis in September,
20 and actually came on board in September with the agreement
21 I would work until after the election or thereabouts or
22 January, and would have the ability to gracefully go on and
23 do other things.

24 Q Do you recall what day it was you actually started
25 on the job at the NSC?

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5

1 A It was the first Monday of September which,
2 I believe, was like September 2.

3 Q You are no longer now with the NSC, I take it.
4 Is that correct?

5 A No, I am not.

6 I just recently -- I was -- the President
7 announced his intent to nominate me as Ambassador to NATO
8 in about mid-December. I was nominated and confirmed by
9 the Senate last Wednesday, was sworn in Friday, and am now
10 embarking today to take up those duties.

11 Q Congratulations on that.

12 A Thank you.

13 Q When is it that you actually left the NSC?

14 A January 2 -- January 2 or January 3.

15 Q Actually, I see from my calendar the first
16 Monday in September was the 1st? For whatever --

17 A Was that Labor Day, though? Maybe it was --

18 Q Might have been Labor Day.

19 A The first working day. I think it was the
20 second. It was probably a Tuesday.

21 Q When you first started at the NSC, you were
22 Acting Deputy Director?

23 A Acting Deputy National Security Advisor.

24 Q And did you remain in the acting capacity
25 throughout the time that you were there?

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6

1 A No.

2 Once -- regrettably, once Mr. Fortier passed
3 away, then they made me the -- officially the Deputy
4 National Security Advisor, after he deceased.

5 Q I take it on or about November 25 of 1986, did
6 you become acting National Security Advisor?

7 A Yes, I did.

8 It was announced by Attorney General Meese that
9 Admiral Poindexter had resigned, then, ironically, I learned
10 through that same press conference, media, that I was now
11 acting.

12 Q Let me -- as I said -- focus our attention
13 so we can do this quickly on the time period of November
14 1986 -- at that time, November 2nd or so through
15 November 25th of 1986.

16 First, just to give you dates that are fairly
17 well set, I think you will recall the hostage was released
18 on or about November 2nd and I think that was Jacobsen.

19 On November 3rd, that was the day the story
20 leaked in the Beirut press about Mr. McFarlane's trip.

21 Did you know Mr. McFarlane prior to the time that you were
22 at the NSC?

23 A Yes, I did.

24 As a matter of fact, he and I both were at the --
25 on the Senate Armed Services Committee at the same time.

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1 Q Did you know Admiral Poindexter prior to that
2 time?

3 A I met Admiral Poindexter when I was at OMB as
4 Associate Director. I knew him during the period I was at
5 OMB.

6 Q Had you known Colonel North?

7 A Yes. I met him also during the period I was
8 at OMB as Associate Director.

9 Q Prior to this time, had you ever met Mr.
10 Secord?

11 A No. To my knowledge, I have never met him,
12 although I was Assistant Secretary of the Air Force. There
13 could have been some occasion, but certainly to my
14 knowledge, I have not met him and don't know his activities.

15 Q After the story was released in the Beirut
16 press on or about November 3 of 1986, was there a -- were
17 there conversations among you and Admiral Poindexter about
18 how to react to the story?

19 A Well, there were obviously a number of
20 conversations once the story started coming out. In fact,
21 I was learning as the story was unfolding about events
22 I didn't know about. There were discussions in terms of
23 what we could say publicly, because it was being -- the
24 initiative had been treated, obviously, as a covert action.

25 So, there was a concern about safeguarding various

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1 aspects of the initiative because of concern over the
2 hostages and regarding third -- regarding intermediaries
3 who were involved.

4 Q Right.

5 A So, there was discussion, yes, as to how to react,
6 what we could say, and when we could say it, in effect.

7 Q I understand there was a meeting on or about
8 November 10th with various individuals that you attended,
9 a meeting with the President, the Vice-President,
10 Mr. Shultz, Mr. Weinberger, Mr. Regan, Mr. Casey, Mr. Meese,
11 Mr. Poindexter, and yourself.

12 Prior to that time, this November 10th meeting,
13 had there been -- had the efforts to produce a chronology
14 already begun?

15 A Not to my knowledge.

16 The chronology effort actually didn't begin until
17 later on in preparation of telling -- the intent was to
18 tell the full story to the Intelligence Committee -- again,
19 during this whole period it was still looked at as a covert
20 action, so there was a concern about safeguarding some
21 aspects because of the reasons I have already mentioned.

22 But the intent was to tell the intelligence
23 committees all the details. So, the concerted effort
24 to put the chronology together, hence the detailed history,
25 didn't come into play until just -- the period immediately

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1 before the scheduled briefings and ultimately testimony
2 by the Director before the intelligence committees.

3 Now, what went on prior to the tenth, first off,
4 again, the stories were coming out. Certainly from all
5 that I knew -- and I think it is still borne out today --
6 a lot that was being reported wasn't accurate, wasn't
7 true. There was concern about the speculation there.

8 So, there was a frustration of not being able
9 to tell the story and get out the facts without being put
10 in a position of compromising the initiative and, in fact,
11 risking what at that point was viewed -- risking some
12 people's lives.

13 So, there was, however, recognition that, geez,
14 we are going to have to go and brief Congress, especially
15 the appropriate bodies.

16 During that period -- in fact, in part, with my
17 advice, ~~Admiral Poindexter~~ did make several phone calls to
18 various members of Congress. I can't remember exactly
19 who he was able to get hold of and who he wasn't. The
20 people he intended to call were Senator Leahy, Senator
21 Durenberger, Congressman Hamilton, Congressman Stump,
22 Congressman Hyde, Senator Byrd, Senator Dole, Congressman
23 Michel, Congressman Wright -- the obvious leaders and
24 chairmen and ranking of the committees of jurisdiction.

25 So, there was a series of phone calls he made,

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1 basically saying, "Look, a lot of what you are hearing
2 isn't right, but there is something going on. I can't
3 tell you all the details now, but as soon as we are in
4 a position to do it, we will do so."

5 So, that was happening during this whole period.

6 Q Let me just ask you about your own knowledge about
7 one event.

8 As of this meeting with the President November 10,
9 were you aware there had been the previous January Finding,
10 Presidential Finding with regard to the Iran initiative?

11 A I may have been aware of it just prior to that.
12 I can't tell you exactly the date when I became aware of
13 the finding. It was in this period that I became aware
14 of the finding, that there was a finding, in this sort of
15 January 2nd -- excuse me, November 2 - November 10 period.

16 Whether it was the November 10 meeting or
17 right before, I just can't tell you exactly. That was
18 a period where I was told -- became aware there was a
19 finding.

20 In fact, I was even shown the finding.

21 Q This November 2nd or 3rd to November 10th time
22 period, did you attend prior to this meeting on the 10th --
23 did you attend any other meetings with the President with
24 regard to this matter?

25 A Well, there were no meetings specifically

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1 addressing this matter, but I attended as a norm every
2 9:30 national security briefing with the President on a
3 daily basis, with Admiral Poindexter, the Chief of Staff,
4 the Vice-President, and the President.

5 So, obviously, during this period, in the course
6 of that meeting, the fact that this story was out there
7 and that, geez, we were getting killed by the story and
8 there was a lot of speculation that wasn't right, and
9 frustration, as I mentioned before about not being able
10 to give what we thought was the proper context of the
11 story out.

12 So, there were -- that wasn't a specific meeting
13 to discuss this initiative, but at that 9:30 national
14 security briefing, it did come up.

15 Q Were -- did you take notes at those meetings?

16 A No, I did not. The only time that I would
17 take a note, take a note in that meeting, was an action
18 item such as, "Go put together a response to the
19 Maggy Thatcher letter to the President" or "Make sure we
20 get a response."

21 If it were an action item, I would take a note
22 on it and go get the action started and then typically
23 dispose of those notes afterwards, because they were just
24 reminders for me.

25 Q I take it these were informal meetings. No one

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1 would take notes.

2 A The procedure, certainly since the period I was
3 there, and my impression was even the period before, was that
4 no notes were taken at the 9:30 national security briefing.

5 Q I will just ask it that way. Was it the
6 normal practice for deputies to attend the 9:30 national
7 security briefing?

8 A I believe so. At least it started with
9 Admiral Poindexter. It may have started then when
10 Admiral Poindexter was the deputy to Mr. McFarlane, but
11 I know that when Don Fortier was his deputy, he attended.

12 When I came on board, certainly within a period
13 of a few days, I started attending.

14 Q Were there other sorts of people at the deputy
15 level who attended the meetings?

16 A Rod McDaniel, Executive Secretary, typically
17 attended. Now, I don't think the Executive Secretary did
18 before, but once I came on board, John decided that he
19 wanted Rod to attend those also. So, most often Rod
20 attended also.

21 Q Let me --

22 A Or Mr. McDaniel.

23 Q Let me ask you to direct your attention to
24 the meeting that took place on November 10th. I gave a list
25 of people that was there. I don't know if you can remember

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1 the list.

2 A Yes.

3 Q I will read off the names that I had. I will
4 ask you as best you recall who was there.

5 A It was an event that I certainly can remember,
6 so I think I remember everyone there. It was Monday,
7 the 10th, as you have indicated, of November. I believe
8 that was a Monday.

9 Q Correct.

10 A It was, of course, the President, the Vice-
11 President, Secretary Shultz, Secretary Weinberger,
12 Attorney General Meese, the Chief of Staff, Mr. Regan,
13 Admiral Poindexter, myself, and I believe that is the full
14 attendance.

15 Q Do you recall whether Mr. Casey was present?

16 A Excuse me, yes. Mr. Casey was present.

17 Q Okay.

18 Had that meeting been called for a particular
19 purpose?

20 A I learned about it from Admiral Poindexter on
21 that Monday morning. Basically, it was to talk about the
22 Iran initiative and the fact that we needed to get our
23 story out to the public and tell as much as we could to the
24 public and discuss how to go about doing that, because
25 the frustration was peaking. It had been roughly a week

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1 since the revelation in the Middle Eastern Journal. The
2 press stories were running one or two a day.

3 As I said, there was a lot of speculation that
4 wasn't accurate. Things were getting out of context.
5 So, it was a frustration we couldn't get our story out.

6 So, it was a meeting to discuss, geez, how do
7 we get our story out and how can we tell as much as we can
8 to the public?

9 There were two -- in the context of the whole
10 discussion, it was, geez, let's explain why we did what we
11 are doing and tell as much as we can, put it in the policy
12 context. And let's plan on making a public statement.

13 There was concern by -- essentially, everyone
14 there, that some aspects of what was going on had to be
15 protected because of the lives of the hostages and the
16 people involved. Certainly, the President felt very
17 strongly that we couldn't jeopardize or risk anyone's life.

18 At the same time, there was a clear view that
19 we had to tell the intelligence committees, give them
20 a full briefing and get prepared to brief them as soon as
21 possible and get that ongoing.

22 So, there was sort of a parallel.

23 Q Was the President given a factual briefing or
24 overview about what had taken place in the initiative from
25 the beginning or any time?

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1 A Yes. What Admiral Poindexter did for the benefit
2 of the entire group really is to sort of lay out from his
3 own personal notes a recounting of events, what had
4 transpired, and what had been accomplished, in effect, in
5 terms of trying to establish some relationship with Iran
6 and also, of course, trying to win the freedom of the
7 hostages.

8 So, we went through from his own personal
9 notes, which ~~was~~^{my} impression was -- was pretty much based on
10 his memory with, you know, perhaps some consultation with
11 Colonel North and maybe some consultation with
12 Mr. McFarlane, but I just can't confidently say that, but
13 I assume so -- basically, his personal notes laying down --
14 here is the recollection. He went through all of that for
15 the entire group.

16 Q Something in the Tower Commission report led me
17 to believe you took notes of the general meeting.

18 A I did. I did, indeed. There was a conscious
19 decision going in we ought to take notes of that
20 meeting. It was a specific meeting of all the President's
21 national security advisors, one; and secondly, it was
22 anticipated we were going to try to determine how much we
23 could state publicly.

24 So, there was going to have to be some -- in
25 essence -- direction coming out of that.

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1 Q I have not -- I am sorry. I have not as of this
2 time seen those notes. I anticipate that they are going
3 to be made available to us.

4 But do you recall whether you took notes on
5 Admiral Poindexter's factual briefing?

6 A I took notes of the entire meeting in shorthand
7 fashion. Yes, I put down what Admiral Poindexter was
8 briefing on events.

9 Q You obviously now know what the President knew
10 and what he didn't know and sort of the events prior to the
11 finding.

12 A Right.

13 Q They have become a matter of some substantial
14 ^S
dispute.
_A

15 Do you have any recollection of what Admiral
16 Poindexter said about the United States involvement in the
17 Iran initiative prior to the finding? Do you recall what
18 he briefed the general group on?

19 A To the best of my knowledge, there are sort of
20 two areas of controversy that have come up since the time
21 in terms of pre-finding events.

22 One is that August-September time frame, and
23 whether there was a prior or after approval of the Israeli
24 shipment.

25 The other is what happened in November and what

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1 do we know about that.

2 Q Right.

3 A To the best of my knowledge, the November event
4 wasn't brought up at all.

5 In fact, that sort of -- that whole issue just
6 came up later as the effort continued to try to find out all
7 the facts of what happened, and what was the sequence of
8 events.

9 The Israeli September shipment --

10 Q Let me make sure I understand.

11 You have no recollection of him even mentioning
12 anything about a November shipment?

13 A That is correct.

14 Q Okay.

15 A In fact, my recollection, frankly, is that that
16 whole November shipment and issue came up late in the whole
17 process of trying to get all the facts put together.

18 The September issue, my recollection is, was
19 mentioned and, in fact, was mentioned the way we consistently
20 were relaying it and, in fact, just to this day it is
21 consistent with my understanding that the Israelis did,
22 in fact, make a -- either August or September shipment.

23 I think it was referred to as September. Now,
24 I am not quite sure what the facts say, frankly, whether
25 it was August or September.

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1 Q I think, actually, the facts show it was one in
2 each.

3 A Is that right?

4 Q Yes.

5 A There was a September shipment that the Israelis
6 made to Iran and that we found -- without our permission --
7 that we found out afterwards. That is my recollection
8 of exactly how John -- that was his first briefing of that
9 to that group. That was exactly my recollection of what
10 he said.

11 That remained consistent throughout, ironically,
12 with my understanding of what it was and is my understanding
13 today of what transpired.

14 Q I know that there was probably not as large an
15 event as of the day that the briefing took place as it
16 has become today.

17 Do you recall whether anyone else in the room
18 reacted to his briefing on the events of August and
19 September of 1985 in a negative way -- "That is not the
20 way I remember it, Admiral Poindexter" -- anything along
21 those lines?

22 A No. There was no controversy, certainly, at that
23 meeting.

24 In fact, again, I didn't even become aware of any
25 controversy about the August-September time frame. There

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1 was later on some confusion of what happened in November,
2 as I said. That whole event came up later.

3 Q Right.

4 A No controversy on August-September.

5 I know that Secretary Shultz in the meeting at some
6 point relayed that Mr. McFarlane had explained some -- as
7 the Secretary put it -- some convoluted or ^complex scheme
8 of an airplane going here, an airplane going there, etc.,
9 and so forth, but I didn't associate that with August-
10 September.

11 In fact, to this day I am not sure it was
12 August-September. I think that was probably more the May
13 shipment when Mr. McFarlane went to Tehran.

14 So, there was no controversy in that meeting.
15 Again, I wasn't aware through the whole time there was any
16 controversy over that issue. The first time that a
17 controversy arose or I realized it was at issue was when we
18 learned of Mr. McFarlane's testimony before the Senate
19 Select Committee.

20 MR. VAN CLEVE: So the record is clear, you mean
21 the Senate Select Committee on Intelligence?

22 THE WITNESS: Yes, on Intelligence, right.

23 BY MR. EGGLESTON:

24 Q Was the finding produced at that meeting, if you
25 recall?

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1 A I just can't remember if John brought it in. He
2 probably brought it in. I can't remember. He certainly
3 mentioned the finding in the meeting. I suspect he even
4 read it, but I just can't tell you.

5 Q Was there any -- did you have the impression
6 there was anyone in the room who had not earlier known
7 about the finding?

8 A I think, in fact, even as John brought it up, he
9 said, "All of you haven't even seen this finding yet," or
10 something to that effect, but at some point, Secretary
11 Shultz -- I became aware of the fact that Secretary Shultz
12 had never recalled seeing the finding before.

13 Now, I am not sure if he mentioned it at that
14 meeting or at some subsequent meeting. He could have
15 mentioned at that meeting, "Geez, I didn't realize there
16 was a finding."

17 Q That is sort of the question I wanted to ask.
18 Was it your impression that he had just never seen a piece
19 of paper, the actual words? Or was it your impression that
20 he did not really realize, or had not known there had been
21 an actual finding?

22 A Again, I am not quite sure at that particular
23 meeting whether he made the point or expressed an opinion
24 of not having been aware of the finding or not.

25 But subsequently, I was aware of the fact that he

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1 basically was saying, "Geez, to my recollection, I don't
2 ever remember discussing a finding or realized that there
3 was one being done." That was one of the gray areas.

4 Again, as people were trying to put together
5 the facts and -- including the meetings and who attended
6 them, so forth and so on, there were some recollections
7 that at one point or the other, the Secretary had been told
8 about the finding, but that was a gray area.

9 To my knowledge, it was never completely
10 resolved to everybody's satisfaction.

11 Q Did you do anything up to this time, up to
12 November 10, to get yourself up to speed on these events?
13 This must have been -- maybe it wasn't, but it seems maybe
14 this was all coming at you fairly quickly.

15 A Yes.

16 Q Did you get briefed by Colonel North or anyone
17 about the facts that had taken place?

18 A You have described it exactly. It was coming
19 at me very quickly. Things were unfolding -- I was
20 learning things -- there was a lot of speculation in the
21 press.

22 I couldn't -- some of which was true, and I didn't
23 realize it was true. For example, the McFarlane visit.
24 I didn't realize until later that that was true. I thought
25 it was not when I first read it.

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1 But I didn't make any specific independent efforts.
2 I did, as people were trying to start to assemble the facts
3 and gather their recollections -- I did try to keep myself
4 posted and learn through that process. I wasn't doing
5 anything independently. So, I was going in and out of
6 meetings where people were trying to assemble what is fact,
7 what is fiction. It was a process of trying to assemble
8 for myself the story of what had happened.

9 Q Do you recall any discussion at this meeting of
10 November 10 about the delayed congressional notification,
11 any discussion about the decision not to have notified
12 Congress substantially earlier?

13 A Again, I can't say conclusively whether or not
14 it was brought up in that meeting. By this time, I was
15 probably aware of it and either at that meeting or before,
16 when I learned of the finding, I learned that in the finding
17 itself, there was language to the effect that the Director
18 of Central Intelligence should refrain from notifying
19 Congress until otherwise directed.

20 So, I was aware of that direction either before
21 that meeting or in the course of that meeting.

22 Again, I don't remember any specific discussion of
23 that in that meeting. There was a discussion, though, and
24 a recognition that we have to at this point go and brief
25 Congress. So, if it was brought up, it was brought up in the

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1 context of, "We have not briefed Congress up to now, but
2 certainly at this point we have to go brief --" -- and by
3 "Congress" I am really talking about the intelligence
4 committees, specifically, but in terms of all --

5 Q And the leadership?

6 A Right. In fact, there was a discussion at that
7 meeting of also briefing the leadership.

8 Q Is there anything else that you recall --
9 let me ask you this question, first.

10 Are your notes of that meeting fairly complete,
11 do you think?

12 A I think the essence of that meeting should be in
13 those notes, yes.

14 Q Anything else that you recall as a highlight of
15 the meeting I should be asking you about?

16 A I think we have covered it. The essence of the
17 meeting was, geez, we have to get out our story to the
18 public, tell as much as we can, while still safeguarding
19 the people involved, the hostages, and third parties, that
20 we have to tell -- give a full briefing to the intelligence
21 committees, brief leadership, a recounting of the policy
22 basis of the initiative, John going back through a history
23 of what had transpired and what we had accomplished.

24 So, that was the essence of the meeting.

25 A decision made in that meeting was, yes, let's

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1 schedule a meeting for the leadership, get that done right
2 away; let's start putting in the works a public statement
3 the President can make.

4 The President felt strongly it ought to be done
5 and he ought to do it.

6 Q There are two other specific questions about that
7 meeting. Do you recall any discussion about the financing
8 of the arms transactions during the course of the meeting?

9 A There was no discussion of financing at all.

10 Q Was there any -- I understand from various other
11 documents I have seen that there was some realization
12 by this time that Mr. Ghorbanifar may have started to become
13 a problem. Was there -- in terms of having lost money on
14 the deals or something along those lines.

15 Do you recall any discussion of him, in particular?

16 A There was no discussion of him having any problems
17 or having lost money. In John's recounting of events, he
18 did point out there were, as he put it, two channels
19 of -- channel one and channel two, with channel one being
20 the first one with Ghorbanifar being the key intermediary
21 there; channel two being the most recent one -- now
22 this, of course, is all classified?

23 Q This is all classified.

24 A I can talk freely.

25 With Rafsanjani being involved in the second one

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1 through [REDACTED] that one being the more credible and
2 more promising in terms of a contact to the people of
3 influence within Iran.

4 But there was no -- there was no discussion of him
5 being in trouble or any financing difficulties.

6 Q Did you by this time know that various aspects
7 of this entire initiative had been really actually performed
8 by non-U.S. Government personnel?

9 A Well, I realized, of course, the Israelis were
10 involved and my impression was that they were sort of the
11 key facilitator, that almost all the transactions in terms
12 of arms shipments went through the Israelis.

13 Q Were you aware Mr. Secord and Mr. Hakim and
14 Mr. Dutton and various others were involved?

15 A I may have been aware that Secord was involved.

16 In fact, I am sure I was aware Secord was involved
17 in terms of the meetings that were going on with the
18 Iranian intermediaries, that he was helping to facilitate
19 those meetings. I wasn't aware of his role in terms of
20 the arms shipments or him being involved in facilitating
21 that. My impression was that he was one of the links
22 between the Iranians.

23 Q All right.

24 A He was involved in some of those meetings that
25 transpired with Colonel North and the CIA representative.

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1 Q I know that by this time and even for the entire
2 time you really weren't at the NSC that long a period of
3 time. Was it unusual for the NSC to have been involved --
4 this heavily involved?

5 I will describe what I mean by that in a second --
6 this heavily involved in the operational aspects of a
7 particular initiative? I mean, essentially, the NSC in
8 several ways almost to the exclusion of other -- of the
9 government agencies was heavily involved in coordinating --
10 Colonel North was actually in Europe working on it, working
11 on the release of the hostages and various things.

12 Was the degree of NSC involvement in the opera-
13 tional aspects of this initiative unusual, in your view?

14 A Well, you are right. I really didn't know all
15 the operational details, even in this November time frame.
16 I hadn't learned all the operational details. But even
17 from what I did know, my own view is that it was unusual
18 to have that much operational involvement, and that this
19 was an exception.

20 Q Let me move on to the time period between
21 November 10 and November 13, which was the day of the
22 President's speech.

23 Was it then sort of your recollection that the
24 real chronology and the preparation of the chronology
25 activity was begun after November 10?

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1 A Yes.

2 Q Was there --

3 A Well, just to try to be as specific as possible,
4 when you say "chronology", what I associate that with is the
5 fairly concerted, focused effort that John and Colonel
6 North were involved in, principally to put -- to lay out
7 all the facts and all the events.

8 Now, as I said previously, of course, John put
9 together his own notes of events. So, I differentiate
10 that from the chronology in my -- that is the
11 context I am answering.

12 Q As best you recall, what happened in those few
13 days between the 10th and 13th? What efforts were made
14 to get the speech ready, to get the facts ready so the
15 President could make a speech to the country about what
16 had actually taken place on the initiative?

17 A After that November 10 meeting, then, as I said,
18 there was a clear decision we needed to make a public
19 statement and say as much as we can and to put it in proper
20 context. We felt we had a good story to say, certainly,
21 the President did.

22 After that, then, I basically came back and put
23 down an outline of what had been discussed at the meeting
24 in terms of, "Here is what we ought to make sure we say
25 in the speech," and relayed that to the NSC, principally

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1 Colonel North and others involved in -- and directed them
2 to put together a NSC draft of the speech in response to
3 the meeting of the senior national security advisors.

4 And then, typically, the way the speeches are
5 done in the White House, not just this White House, you
6 start with an initial draft, you go through a number of
7 iterations.

8 The NSC put together a draft, and that went,
9 ultimately, to the speech writers, and then you sit down in a
10 number of sessions over the final hours before the speech
11 to basically word-smith it and smooth it.

12 That went on in this case. I was involved
13 in almost all of those internal White House meetings to
14 put the speech in final form.

15 Q Was Colonel North involved in those sessions,
16 as well?

17 A He was involved in a number of them. I am not
18 sure if he was at all of them. He was involved in probably
19 most of them. But he had the lead role along with other
20 members of the NSC staff putting together the first draft
21 of the speech.

22 Q Was there any -- was there any -- who else was
23 sort of the core group of people putting together the
24 draft of the speech?

25 A Colonel North, his two assistants, General Earl

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1 and Colonel Coy -- I am not sure it was Colonel or Commander.

2 Q I think it was Commander.

3 A Don't let me be embarrassed by having that show
4 up.

5 Howard Teicher, principally that group. Also
6 Mr. McFarlane was consulted in terms of especially the
7 initial policy basis of the initiative, because he was
8 there, obviously, at the ^{onset}~~on-set~~ of the initiative. He
9 was involved also.

10 Q Do you recall any disputes about the substance
11 of the speech? I guess when I say "substance", what I mean
12 is the facts related in the speech.

13 A No. There was really no issue or controversy on
14 facts. There was the usual arguments about word-smithing
15 and how to state something with sort of the trade-off
16 between rhetorical flourish and making sure things were said
17 in a precise and careful way.

18 There were arguments about exactly how much we
19 could say and still accomplish what the President and his
20 advisors wanted to accomplish in terms of making sure we
21 didn't put anyone at risk, making sure that we recognized,
22 as had been decided, it was a covert action and we ought to
23 continue to treat it as such.

24 So, say as much as you can publicly, but within
25 those confines. There were those kinds of decisions that had

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1 to be made.

2 Q Did you watch the speech?

3 A Yes, I did.

4 Q Where were you when you watched the speech?

5 A In Admiral Poindexter's office.

6 Q Was anyone else there?

7 A Yes, Admiral Poindexter; Colonel North was there;
8 Mr. McFarlane was there; Dan Howard from the press office
9 was there. Paul Thompson was probably there. A group of
10 us sat in the Admiral's office and watched it.

11 Q Was there a general reaction among you to the
12 speech?

13 A I must confess we were reasonably upbeat with it.
14 Maybe it was unjustified in the aftermath.

15 Q History may have --

16 A I don't know what that does speaking for our
17 judgment. But you have to remember that we were
18 frustrated with not being able to say anything publicly.
19 We did feel like we had a good story, and it was more
20 policy basis there dating back to May, June, July, as I was
21 learning it, than anyone had been aware of, and that we were
22 laying out that policy basis.

23 Moreover, we thought there were things that had
24 been accomplished that people -- we were trying to point out
25 that people hadn't been aware of. So, in fact, heretofore

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1 there was no mention of any policy basis at all in the press
2 and the press reporting. It had all been portrayed as a
3 simple arms-for-hostages deal. This was our first
4 opportunity to say, "That is not exactly right. There
5 was a strategic objective here."

6 We thought, frankly, the first reactions to
7 members of Congress and others were a recognition there was
8 a strategic objective, but arms was the wrong way to do it,
9 etc.

10 So, we were -- I guess reasonably positive about
11 the speech.

12 Q I understand that.

13 (Discussion off the record.)

14 BY MR. EGGLESTON:

15 Q It is my understanding Admiral Poindexter
16 briefed reporters on kind of a background basis on the 13th,
17 as well; is that your recollection?

18 A He did brief reporters on a background basis.
19 I can't tell you for sure if it was the 13th. It was
20 around the 12th or 13th time frame. It was around when the
21 President made his address. It probably was the 13th. That
22 was the date of the address, as I remember it.

23 Q Did you attend that?

24 A I did not.

25 Q By the 13th -- let me ask the question this way,

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1 first. Essentially, at least as the way the Tower
2 Commission reports, there seems to be some sort of
3 transcript of that briefing. Admiral Poindexter denied
4 there had been any sort of involvement in arms
5 transactions prior to the time the finding was signed.

6 In retrospect, that turns out not to be true,
7 at least as to the November 1985 transaction. Had
8 this November 1985 issue begun to arise by the 13th?

9 You indicate as of the 10th you thought that had
10 sort of fallen by the -- or hadn't been raised?

11 A I don't think so.

12 Frankly, I think it all came up after the speech.
13 I think it came up, frankly, near the time of the press
14 conference. In fact, maybe even after the press
15 conference.

16 But with respect to the Admiral's briefing,
17 I wasn't there, as I indicated. I did hear about it
18 afterwards. In fact, I got a copy of it afterwards. Quite
19 frankly, I don't think I ever got a chance to read the whole
20 thing because events were unfolding very quickly.

21 But here is my understanding of what he actually
22 said. Initially, he gave the impression that no, nothing
23 happened in 1985. Then I think he went back and said,
24 well, someone else asked him a question that triggered his
25 recollection of what he had said previously in the

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1 transcript.

2 He said, "I better go back to that question," or
3 something to that effect. I can't tell you verbatim. This
4 is my recollection.

5 I tried to put it in a different context. What
6 I believe he was referring to there was the -- again, that
7 ~~A~~ August or September shipment and saying that, geez, there
8 was a third party that was involved in August-September, and
9 we did condone that with the -- and there was confusion,
10 frankly, from our own press people about what he was saying,
11 what John was saying.

12 But certainly, my understanding from John of what
13 his intent was, was to say that that shipment happened and
14 we ultimately condoned it after the fact and once we
15 learned about it.

16 And hence, the more accurate thing to say about
17 1985 was that there was something that happened there and
18 we ultimately condoned it and not leave the impression that
19 we never acquiesced in anything that went on in August
20 or September of 1985, or 1985.

21 So, I think he went back to that question. In
22 fact, I know he went back to that question in that briefing.

23 Q Racing ahead, but -- let me get back to these
24 days anyway. Racing ahead to the President's press
25 conference on the 19th, he actually -- as is now fairly

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1 well known -- indicated there was no third country
2 involved. A subsequent statement had to be released.
3 Was there discussion -- it seems to me that Admiral
4 Poindexter's remarks on the 11th are perhaps reflective of
5 some desire to keep Israel's name out of this.

6 A Oh, yes.

7 Q Was there a concerted effort to keep their name
8 out of this?

9 A Absolutely. There was a quite conscious decision
10 to not let Israel's name be associated with the action
11 in public.

12 Again, there was the -- there was a decision
13 properly to brief the intelligence committees in full and
14 the leadership. Those briefings, in those briefings,
15 Israel's name was mentioned. That was in a classified
16 setting. There was a very conscious decision not to
17 mention Israel's name in public. But that wasn't intended
18 to translate into an intent to mislead or, in fact, to
19 misstate the President's -- the President certainly knew
20 Israel was involved, a third country was involved, and it
21 was Israel.

22 We talked about that many times, including the
23 10th meeting. Obviously, he knew about it before, dating
24 back to 1985.

25 Q Well, there must have been discussions about how

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1 you could have a press conference and how you could deal
2 with -- respond in a candid way to the press without
3 revealing the role of one of the major actors in the whole
4 transaction.

5 A There were, indeed. Again, to try to put things
6 in context, it is difficult, as it is now with everything
7 that has unfolded since then. We were dealing with a
8 covert action. You have to decide, all right, what can
9 you say about a covert action and attempt to say as much
10 as you can to explain the basis of your policy and hopefully
11 get people to understand it while not saying things that will
12 jeopardize the initiative or the people involved?

13 So, there are certain things that you conclude
14 you are just going to have to say, "I can't comment" on.
15 The third country -- and Israeli involvement was one of
16 those -- it was a conscious decision in preparation for
17 the press conference that if the President got a question
18 on third country involvement or Israeli shipments, what
19 we approved, what we didn't, that the response was going to
20 be that, "We can't comment on third country involvement;
21 there are certain aspects of the specifics of the initiative
22 we just can't get into because of concern for protecting
23 the people involved and so forth."

24 So, that was the intent. Now, it didn't translate,
25 obviously, exactly into that with the President's statement,

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1 but that is what he -- based on our discussions with him,
2 in preparation for the press conference, that is what he
3 had intended to do.

4 I don't think the President intended to mislead
5 with that statement. You can't put yourself in anyone
6 else's mind or body, obviously, but that is what we agreed
7 on going in, and everybody was comfortable that that was the
8 proper way to handle difficult areas where you could
9 essentially compromise the initiative, simply used
10 standard procedure, the "no comment".

11 So, I think there were two things that sort
12 of -- in the dynamics of a press conference, this one
13 was particularly dynamic, that happened. One was that --
14 at least the first time it was brought up -- and I have to
15 go back and look at the transcript. My recollection is --
16 and I was watching the press conference. The first time
17 it was brought up, it was brought up in the context of a
18 number of Israeli shipments, not just the August-September.

19 "Mr. President, there was a September shipment
20 and then there was a shipment of F-4 parts, and there were
21 a number of Israeli -- isn't it true that we actually
22 condoned more than what you are saying now because we
23 agreed to Israeli shipments?"

24 The answer to that was properly "no". Certainly
25 that is my understanding, it was no, because our attempt in

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1 laying out the facts was to lay out everything that we
2 had agreed to, either by condoning, before the fact, after
3 the fact, or by authorizing and making sure that we
4 accounted for those shipments.

5 So, our intent was that everything we said that
6 we had shipped was concluded -- it was included.

7 So, if -- one of the questions seemed to be
8 leading to the conclusion that, geez, well, you are
9 being cute, because you are saying this is all we
10 authorized, but yet this other stuff was going on and you
11 were allowing it to happen.

12 The answer to that, certainly to my knowledge,
13 and to my knowledge today, was no. So, I think the
14 President got caught up in that -- trying to properly say
15 no, we didn't -- everything we authorized we are talking
16 about, and also trying not to confirm that the third
17 party involved was Israel.

18 Q By the 19th, were you aware that the United
19 States had a substantial involvement in the November
20 transaction?

21 A By the 19th?

22 Q Yes, by the time of the press conference.

23 A Gee, again, I don't think so. Frankly, I think --
24 and this -- part of the difficulty was the difficulty
25 getting all the facts out. As the Tower Commission

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1 reported, as they put it, they could attest to, because
2 of inadequate records and perhaps you can attest to it --

3 Q Yes, I can.

4 A -- it was terribly difficult putting down all
5 the facts and getting them all together.

6 So, perhaps unacceptable as this may seem,
7 we were still in the process of laying out the facts,
8 although certainly I was operating on the assumption that
9 we had accounted for everything in terms of transaction of
10 arms.

11 But I don't believe the November shipment had
12 come up at this point. It may have, but if it did come up,
13 it was in the context of something that wasn't counted
14 because it was a shipment that went over and went back,
15 as ultimately happened.

16 But --

17 Q I am sorry. Would you say that again? I just
18 lost it. Did you indicate that you, as of the 19th, knew
19 there had been a shipment but also knew it had ultimately
20 been returned?

21 A No. I don't recall it coming up, the November
22 shipment coming up at this point. What I said is if it did
23 come up, it came up in the context of it being a shipment
24 that went over and went back and, hence, wasn't one that
25 was scored as a shipment of arms.

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1 But the controversy on it certainly didn't come up
2 until after the press conference. The controversy was
3 this: was it, geez, did we know that was a shipment of arms
4 before it went over or not?

5 Q Right.

6 A Now, that controversy after the press conference,
7 it certainly came up there was a November shipment.

8 Q Right.

9 A It came up in the context of the Israelis
10 shipped something, we found out about it, and we helped
11 get it back. It was that sort of context.

12 Q Who was it who was telling that version of the
13 November 1985?

14 A Colonel North principally was telling that.
15 He was the one who had the most corporate memory at this
16 point.

17 Q Did he tell that directly to you?

18 A Not so much directly to me, but he certainly
19 said that in some of the meetings that I was in and out
20 of.

21 Q But you think they were -- it is your recollection
22 that those were after the President's press conference?

23 A The most extensive discussion of that certainly
24 came afterwards. As I said, I don't remember it being
25 discussed before, but if it did, it came up in the context

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1 of something going, something coming back, not being
2 scored.

3 The night of the press conference, after the
4 press conference, in fact, it is my first -- that is my
5 first vivid memory of that November shipment. That is when
6 we were trying to lay down on a piece of paper, by damn,
7 what were the shipments, what did we know about, so we could
8 make damned sure we were saying the right thing because of
9 the controversy of what the President had -- the
10 interpretation of what the President said at the press
11 conference.

12 So, in the context of that, Colonel North put down
13 on a piece of paper these events. I believe on that
14 piece of paper the November shipment was there. It went
15 over -- identified as something going over, coming back, that
16 wasn't authorized.

17 Q Was it --

18 A Now, that is my recollection.

19 Q But it was identified at that time as weapons,
20 not as oil drilling equipment or something else?

21 A Well, it was identified as something that went
22 over, and we didn't know about. When we found out about it,
23 we brought back. All the way up until right before the
24 time that John was going to brief the Congressional
25 intelligence committees, the Senate and the House, which

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1 was Friday, the 21st, I believe, until like Thursday
2 evening, before that, my impression was that was exactly
3 what happened, is that we found out that the Israeli
4 shipment went over in November. We found out it was arms --
5 well, we found out it was arms. We helped get it back.

6 But certainly, the chronology that by this time
7 had been produced had indicated that we helped or Ollie
8 helped, apparently, get a plane for it, and did it on the
9 basis it was oil drilling equipment.

10 I never really focused on the oil drilling
11 equipment until it became a controversy in, like, the
12 evening before the Friday briefing, Thursday before the
13 Friday briefing to the intelligence committees.

14 But by this time, I was aware that we -- Ollie
15 apparently had arranged for a plane and done it on the
16 basis of oil drilling equipment. I had no reason to
17 challenge that.

18 Then we found out it was HAWK missiles, and once
19 that was found out, we went and got it, got the missiles
20 back or helped participate in getting them back.

21 Then on Thursday evening, I went into Admiral
22 Poindexter's office. I am completely sure it was Thursday
23 evening. He was in there chatting with Paul Thompson,
24 reviewing the version of the chronology there.

25 Q This would have been Thursday the 20th?

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1 A I believe so, yes, in anticipation of him
2 briefing the intelligence committees the next morning.

3 The discussion then was about the November shipment
4 and that, in essence, there was confusion over whether or
5 not -- what we did know about that November shipment and
6 whether we knew beforehand if it was HAWK missiles or not,
7 whether we knew that it really wasn't oil drilling
8 equipment.

9 John was relaying and Paul relaying this to me --
10 geez, we are really not quite sure now of what this
11 November -- what was really known in this November time
12 frame.

13 My reaction to that was, geez, if you are not
14 sure, you better sure as hell say you are not sure when you
15 brief these committees. Don't say something you are not
16 sure of and then be held accountable for it later.

17 They both readily agreed. In fact, my
18 impression was they had come to that exact same conclusion
19 that, you know, we better indicate that we are still trying
20 to find the facts out.

21 In fact, I did not attend those two briefings
22 that next morning. My understanding is that that is exactly
23 what John told the committees when he briefed them. He
24 said, "Look, as far as this November event, we are still
25 trying to figure out the facts of what went on there and

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1 what we knew at the time, and that process is still going on.
2 That is certainly what he intended to tell them. My under-
3 standing is that is what he told them.

4 Q When is the first that you learned there was a
5 possibility that there had been a diversion of the arms
6 money?

7 A On the morning that it was announced by Attorney
8 General Meese, which was --

9 Q The 25th?

10 A Tuesday, the 25th.

11 Q You did not know it prior to that time?

12 A I had no knowledge of it. It never was discussed
13 in any meetings that I was in.

14 Q Let me just make sure that I have this. I sort
15 of have been racing around.

16 Mr. -- I covered the evening of the 13th. I take
17 it between the 13th of November and the 19th of November
18 there is continued work on the chronology in order to get
19 the chronology in sort of a final form?

20 A Well, I can't tell you exactly when the
21 chronology work began, again, in the context of you talking
22 about chronology here.

23 Q Right.

24 A The principal effort was crashing to put a speech
25 together, then crashing to get prepared for the press

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1 conference.

2 This parallel, of course, with this was preparing
3 cables to send to the allies so we could at the same time
4 explain to them our policy basis of our actions. This is
5 going on in parallel with these events.

6 As I mentioned previously, it wasn't really until
7 we had to sit down and go through the briefings of
8 Admiral Poindexter with the intelligence committees and the
9 testimony of Casey that the more concerted and focused
10 effort of, by damn, let's lay all the facts out. Part of
11 this was also due to frustration, of the inability to get
12 the facts out -- frankly, having some facts that were
13 proven to be not quite right.

14 For example, the first time that we briefed
15 leadership, we thought there were only 1,000 TOWs involved.
16 When Ollie went back and checked his -- whatever records
17 he had, he said, "Oh, my God, there is 2,000."

18 We couldn't afford those kinds of embarrassments,
19 needless to say. We had to have the facts right. It was
20 part of an effort to make sure we ^{laid} ~~laid~~ all the facts down
21 once and for all.

22 So, I can't -- but when this -- it was more like
23 the weekend before the week that we testified that -- or the
24 weekend after the press conference that the concerted
25 effort principally being staffed by Colonel North was put

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1 together to put together the chronology.

2 Q Did there -- was there a -- any concern -- by this
3 time you must have known Colonel North had been involved in
4 the entire operation since at least the fall of 1985.

5 Was there any concern that perhaps you weren't
6 getting the truth from Colonel North?

7 A No, not really.

8 I certainly was never under the impression that
9 anyone was not telling the facts as they were. There was
10 a concern that we didn't -- that there weren't good records.
11 There was concern that, frankly, there was a little sloppi-
12 ness and carelessness. One example was 2,000 instead of
13 1,000 TOWs. We caught that before our public statements
14 and before the speech.

15 So, there was that kind of concern, but not any
16 concern or impression, certainly, on my part that people
17 weren't being forthcoming.

18 Q Mr. McFarlane has testified, and it is reported
19 in the Tower Commission that he had a conversation with
20 Admiral Poindexter which I think he places either on the
21 night of the 18th or the morning of the 19th. Have you read
22 the Tower Commission report?

23 A I have read most of it, yes.

24 Q And he reports that you were present, and he
25 specifically names you as a witness to a conversation.

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1 A Yes.

2 Q Do you recall -- do you recall reading that in the
3 Tower Commission report?

4 A Yes, it is in the appendix which contains
5 Mr. McFarlane's testimony, appendix D. I have read that.

6 Q Did such a conversation take place, to your
7 knowledge?

8 A No.

9 Q With you present?

10 A No, it didn't. There certainly was no
11 conversation on the morning of the 19th. That is my
12 interpretation of what Mr. McFarlane said also, which would
13 have been, I believe, the day of the press conference.
14 There was no such conversation in my presence at any time
15 that -- where I had the impression that Mr. McFarlane
16 was saying, "Well, you realize there is -- that we are
17 distancing the President; our purpose is distancing the
18 President," which is the essence of what I read in that.

19 At no time did I have that impression, and at no
20 time was I witness to any conversation to that effect.

21 I think -- I must confess, I am a little
22 bewildered, I guess is the best description, of
23 Mr. McFarlane's testimony there, because that is the first
24 time I have known that he thought that there was any
25 concerted effort to distance the President or to in any way

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1 mislead, because that certainly was not the impression I was
2 operating under, and certainly no direction I had ever been
3 given and no direction I was ever aware of to that effect.

4 I think, to Mr. McFarlane's credit, I think he may
5 have that confused with a meeting that -- which did take
6 place, but was a week before, involving the speech
7 preparation, not the press conference preparation or the
8 chronology preparation.

9 In effect, that goes to his reference to a
10 November 18th meeting, too, where he said there was --
11 described an effort where there were people sitting around
12 a table and pieces of paper all over the table and named
13 a number of people there, and then in response to a question
14 by Mr. McFarlane's attorney, said, was Al Keel there?
15 Bud said something to the effect, not initially, but in and
16 out.

17 It turns out I wasn't at that meeting, either,
18 if there was a meeting on the 18th involved in putting
19 together chronologies. I can't even tell you if there
20 was such a meeting. I can certainly tell you I wasn't there.

21 I think what Mr. McFarlane perhaps has done is
22 confuse both those events with events that did take place a
23 week earlier, the week we were putting together the speech.
24 Very similar events happened that week -- namely, the
25 night before the speech when we were busily, feverishly,

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1 trying to put together a draft speech, I was told that there
2 was -- I was -- in part, my role was trying to make sure
3 that things were being done on a timely basis, that we met
4 timelines and deadlines, because we sure had a date
5 certain to go before the public. We had to have the
6 story.

7 So, in that context, I was told -- in asking
8 where in the heck things stood, where are we with the
9 draft speech, there was a meeting going on in Colonel
10 North's office. It was the night of November 12th, and date
11 before the speech. So, I went over and stuck my head
12 into that meeting some time late in the evening. I can't
13 tell you exactly what time, but it was nine-ish, that
14 sort of time frame that evening.

15 Mr. McFarlane was there. But the effort
16 involved -- and, in fact, Colonel North was there;
17 Colonel Earl was there; Commander Coy was there; Howard
18 Teicher was there, a couple of secretaries. So, it was
19 essentially the scene that Mr. McFarlane described, but
20 the effort was putting together the speech, and there were
21 draft speeches there and not the chronology.

22 In fact, to my knowledge, there was no
23 chronology effort ongoing there. If it was, I was unaware
24 of it. This was very concerted, focused effort to put
25 together the speech, which was 24 hours from timeline.

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1 Q Well --

2 A Mr. McFarlane, in fact, was there typing out on
3 the word processor a draft version that he was proposing
4 as a speech to put things in a geostrategic context.

5 Now, the very next morning, the morning of the
6 speech, Mr. McFarlane did come in to Admiral Poindexter's
7 office, basically stuck his head in in a meeting -- or it
8 was just John and I, actually. We all stood up, so there
9 was that stand-up conversation that morning. But that was
10 an innocuous conversation, basically sort of statements
11 to the effect of, "What do you think of the draft? How
12 did you like the draft," etc.

13 And to my recollection, there was no discussion
14 of chronologies there. Certainly there was no discussion
15 of any chronology or any attempt to distance the
16 President. This was all a week before.

17 Q You don't recall, then, ever participating
18 in a discussion that involved Mr. McFarlane where
19 Mr. McFarlane indicated that he thought that the story --
20 whether it was in the chronology or speech form that was
21 being put out -- was incorrect because the President had,
22 in fact, approved the earlier transactions, the August-
23 September transaction?

24 A Absolutely not.

25 In fact, my impression was that we were relying

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1 exclusively on Mr. McFarlane for those events, because he
2 was there during those events. He was there at the onset.
3 He was the only closest thing to a staff officer, if you
4 will, who was involved.

5 My understanding, in fact, still to this day,
6 is Admiral Poindexter wasn't involved at that point. We
7 had to rely on Mr. McFarlane for those events. Certainly
8 everything I saw as far as his inputs were -- "his" being
9 Mr. McFarlane's -- were consistent with that version.

10 My impression was we were relying on his
11 recollection for our recounting of those events. That is
12 why it was a surprise, as I mentioned previously, when he
13 testified differently.

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CAS-1

1 Q You indicated that you watched the press
2 conference then with Admiral Poindexter? I am sorry. Let
3 me ask it affirmatively.

4 Where did you watch the press conference?

5 A I walked over to the first floor of the residence
6 along with Admiral Poindexter and the Chief of Staff and
7 Dennis Thomas, other White House officials, David Schue,
8 Al Penan, the White House officials, and watched -- as is
9 traditional -- watched the press conference on a closed
10 circuit video just outside the State Room where the press
11 conference is held.

12 Q When the press conference was over, were you part
13 of the decision to issue a subsequent statement?

14 A Well, I wasn't so much part of the decision, as
15 being aware of the decision. Obviously, we -- as we were
16 watching it unfold, we realized that there was -- the risk
17 of misinterpreting what the President was saying.

18 Looking back over the record, it is pretty clear
19 that misinterpretation was possible. But it was principally
20 a decision by Admiral Poindexter and Mr. Regan that, gee⁷,
21 we can't afford to leave a statement out there that people
22 are going to contend later was a mis-statement.

23 So my impression was certainly that the motives
24 were quite pure, there is a risk of misinterpretation, let's
25 make damned sure we clarify the record.

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CAS-2 1 Q To your knowledge, was Colonel North consulted
2 prior to the time that the statement was released?

3 A Not to my knowledge. Well, not to my knowledge
4 as far as -- everybody realized, as I said before, that the
5 Israelis were involved.

6 So there was no confusion over there. Certainly
7 the President realized that. So our only concern was
8 that, gee², let's not leave an impression out there that we are
9 saying something that is not true.

10 It wasn't a matter of suddenly finding out after the
11 press conference that what had been said wasn't right.

12 Q Let me -- let me not do that.

13 On the morning of -- so the 20th, was anyone briefed
14 on the 20th? Was there any -- were there any activities on the
15 20th?

16 I know the 21st is where Casey testifies before the
17 Intelligence Committee. I think Admiral Poindexter does a
18 briefing at the White House. Do any events take place on
19 the 20th?

20 This would be Thursday.

21 A Well, I can't recall specifically. There was no
22 meeting, there was no -- no event such as calling together
23 the President's National Security Advisers, for example.
24 Nothing of that magnitude. There were undoubtedly a number
25 of internal White House meetings that took place, including

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CAS-3 1 looking at, gee^z, how did the press conference -- how did
2 we do in the press conference, where do we go from here, that
3 kind of thing.

4 Q Did you participate in the preparations of
5 Mr. Casey for his testimony the following day?

6 A I did not.

7 Q Do you know whether Colonel North did?

8 A I am sure that he did, because again he was the
9 closest thing to an integral link over this whole time
10 frame that we had. Bud McFarlane was no longer there
11 and hadn't been involved since December or so except for the
12 May trip to my knowledge. Admiral Poindexter was not
13 involved in the beginning.

14 Q I have just been reminded there were reports
15 at least that Secretary Shultz on the evening of the press
16 conference or at the very least on the 20th, the day after
17 the press conference, had indicated disagreement with the
18 statements that were made during the course of the press
19 conference or at least with the way the story was unfolding.

20 Do you recall those events taking place?

21 A No, I don't. To my knowledge, he didn't take issue
22 with what was said in the press conference or anything that had
23 transpired to that date.

24 Now, I am aware now that at least there are press
25 reports -- and I don't know -- I can't tell you if they are

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1 accurate, that he had concern over the chronology that was
2 being put together and the preparing of the testimony.
3 Probably, the State Department was ~~being~~ ^{ing} circulated this
4 thing to make damned sure their recollection was
5 consistent with what was being said.

6 There was an attempt to make sure everybody was
7 onboard with basically the facts and that we had all the
8 facts right.

9 Now, I have seen since that time, that apparently
10 the 20th or so that he said, well, golly, gee whiz, this
11 November event is not right. But I wasn't aware that he
12 raised an issue with that.

13 He could have. I assume if he is saying he did,
14 he did. I wasn't aware that he had raised that. I did
15 become aware, as I told you previously, later that day myself
16 that John was concerned about exactly what we did know about
17 the November transaction.

18 Q Did you tell me that you had or had not attended
19 Admiral Poindexter's briefings which took place on the 21st?

20 A I did not. Briefings to the Intelligence Committees?

21 Q To the Intelligence Committees.

22 A I did not.

23 Q There comes a time, I take it, when there is
24 a decision made to bring Attorney General Meese in to conduct
25 some sort of investigation?

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CAS-5 1 A Yes.

2 Q Do you know when that took place, when the
3 decision was made?

4 A No. Again, that was actually another decision
5 I wasn't aware of and found out after the fact. I didn't
6 realize he had been brought in and I surely didn't realize
7 there was anything that would -- was tantamount to an
8 investigation.

9 Sometime over the weekend, or thereabouts, over
10 that weekend after the Thursday, the 21st -- Thursday,
11 the 20th, Friday the 21st, I believe it was that weekend
12 that I learned that Attorney General Meese was helping
13 trying to figure out the facts associated with that November
14 event, because, as I said, that had become an issue of doubt
15 on like the Thursday evening.

16 At least, that is when I was aware it was an issue
17 of doubt. So I believe sometime over that weekend, I was aware
18 that he was -- he, the Attorney General, was trying to help
19 find out exactly what happened with respect to that event.
20 I didn't view it as an investigation. I wasn't conscious
21 of any decision prior to that, or any White House meetings
22 prior to that where he was told to go find out the facts.

23 I just assumed that he, from -- as the President's
24 principal legal advisor, was making damned sure that we knew
25 what happened in the November time frame and was helping to

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AS-6

1 put together all the facts there.

2 Q Were you aware that the people from the Attorney
3 General's Office had looked through Colonel North's files on
4 Saturday, November 22nd?

5 A No. I don't think I became aware of that until
6 Tuesday morning when John indicated to me for the first time
7 that he was going to resign, which was a shock to me.

8 As I said, sometime over the weekend, I became aware
9 that the Attorney General was talking to the various people
10 to see if he could put together the facts associated with that
11 November business. That was the only thing that I was aware
12 of that was an issue.

13 But I didn't realize it was a matter of going
14 through files and so forth, at least I don't have any
15 recollection of them going through all these files or anyone's
16 files until Tuesday morning.

17 On Tuesday morning, I came in, normally like 7:15
18 in the morning.

19 The practice usually was John and I went down to our
20 NSC staff meeting at 7:30. John hadn't arrived, which was
21 unusual. So the front office told me that he just simply
22 was going to be late and that he wanted me to go ahead and
23 chair the 7:30, which wasn't that unusual. Often I would
24 go chair that.

25 After 7:30, which normally lasted a half-an-hour,

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CAS-7 1 a little after 8:00, I came back up and stuck my head in John's
2 office. He was back then.

3 In fact, he was in with Paul Thomson eating
4 cereal for breakfast. Sat down and just started chatting.

5 And then he simply turned to me and said, Al, I am
6 submitting my resignation. I just was shocked. After the
7 shock subsided, I became quite numb, realized that, my god,
8 what does all this mean? He said that he had just left the
9 Attorney General's Office, that is where he was -- that is the
10 first time I knew he was over with the Attorney General.

11 The Attorney General had determined that Ollie was
12 diverting funds or attempting at least to divert funds to
13 the contras. My reaction was "what", exclamation mark.

14 And he said, yes, he said I wasn't aware of it,
15 or wasn't aware of the details of it, but I had some suspicion.
16 So I have -- after talking with Ed Meese, decided the best
17 thing to do is resign.

18 As I said, I just -- my -- I guess the best
19 description of my reaction was just numbness.

20 That is the first time -- then he told me that the
21 Attorney General discovered this through a memo that -- a
22 draft memo that was undated and unsigned that had reference
23 to a certain amount of funds being diverted to the contras
24 and that he had found those in Ollie's files.

25 That was the first real recollection that I have of

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CAS-8 1 the fact that the Attorney General or his people did
2 actually go through Ollie's files.

3 Q Let me just make sure that when he indicated to
4 you that the Attorney General had determined that
5 Colonel North had been involved in either diverting or
6 attempting to divert funds to the contras, did he indicate
7 it was to divert funds from the Iranian arms sales to the
8 contras?

9 A Yes.

10 Q I just want to make sure I understand. Your
11 testimony is he said he was not aware of the details, but he
12 had some suspicion?

13 A That is what Admiral Poindexter told me, yes. That
14 is consistent, I believe, with what he told the Attorney
15 General.

16 Q Did you have -- what did you say to him after this
17 revelation that must have been somewhat of a shock to you?

18 A Exactly that. My first reaction was "what!",
19 "my god". And -- you know, sort of "I can't believe this".
20 I mean it was a very -- it was a numbing, sad moment. Here
21 a man that I had a lot of respect for was stepping down.
22 That was -- my overall reaction was disbelief.

23 I didn't ask him a whole series of questions,
24 needless to say. Your first reaction when you hear something
25 like that is not to try to interrogate someone.

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CAS-9 1 Q Did you have any indication he thought he
2 personally might have a criminal problem?

3 A No. In fact, the opposite. In the course of
4 our discussion, either then or later in the day, he said,
5 look, you know, I think when all the facts come out, that
6 there is nothing illegal that has been done, Ollie hasn't
7 don't anything illegal.

8 My very strong impression was that at least from
9 what John thought he knew or thought had been done, that he
10 thought it was all quite legal.

11 Q Did you ever talk to Colonel North about this
12 potential diversion, attempted diversion, diversion,
13 whatever?

14 A No. I didn't see Ollie after that point. I made
15 one phone call to Ollie later that day, after Attorney
16 General Meese's announcement and after -- I first learned
17 that Ollie was -- John told me that Ollie was resigning
18 also, I believe. I am not quite sure he mentioned that. He
19 told me he was resigning.

20 But -- or I could have learned for the first
21 time that Ollie was resigning when I attended the eleven
22 o'clock congressional briefing. That is when I got my
23 briefing also of what the Attorney General knew. At the
24 same time as members of Congress did at around eleven that
25 morning.

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CAS-10 1 That may have been the first time I learned about
2 Ollie resigning. At that point it was put as resigning.
3 It wasn't until the President made his announcement that I
4 realized that he had been dismissed or re-assigned.

5 Q Did you -- go ahead. I am sorry.

6 A Later, after that event, as I said, I learned I
7 was acting, which was sort of an obvious step to make, but
8 no one had really said, Al, you are acting. The Attorney
9 General announced it on CNN.

10 So, I was sitting watching that press conference.
11 We discussed what we ought to do now concerning the graveness
12 of what we had just found out, the gravity of what we had just
13 found out.

14 It was -- Rod McDaniel was in my office. Our
15 press person -- let me go off the record for a second.

16 (Discussion off the record.)

17 THE WITNESS: Our press person, Paul, was in for
18 part of that. I think Paul Thomson may have been in for part
19 of that. As we were watching the press conference.

20 But as soon as we realized the gravity of what
21 happened, we decided, gee⁷, there are a couple of things
22 that actually we need to take and make quick decisions on.
23 One was making sure we properly secure Colonel North's area,
24 which was done that day, in terms of no one being able to
25 get in and out without an escort. So our security people

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AS-11 1 at NSC made sure that that was done in conjunction with the
2 Justice people.

3 In addition, I asked that a draft memo for me to
4 sign be prepared, that I could get the President's approval
5 for, that would have me at his direction direct that there
6 would be no further NSC involvement in operational activities
7 of any secret or sensitive diplomatic missions,
8 intelligence missions, or military operations until the
9 further director or until after the Tower Report, the Tower
10 review board reported out with their recommendations.

11 Any such activities were to be refrained from.

12 Ultimately, the President did concur in that when I
13 had a chance to talk with him about it at Santa Barbara.
14 I issued that on the following Saturday.

15 Q Was there any thought given to sealing
16 Admiral Poindexter's office?

17 A That wasn't discussed directly in that meeting. I
18 think -- my understanding was that was part of the sort of
19 routine procedures that were followed immediately afterwards.
20 I can't tell you for sure whether that was specifically --

21 Q It was my understanding his office was not
22 sealed and that he was permitted -- and my understanding
23 may be incorrect, but his office was not sealed and, indeed,
24 he was permitted to go in and out of his office.

25 A He was certainly permitted to go in his office.

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CAS-12 1 I guess I assumed that was with escort in essence. That may
2 be wrong.

3 Q It was your understanding at least that his office
4 was going to be treated the same as North's?

5 A The specific discussion we had was with respect to
6 Colonel North's office. He was the one that appeared to have
7 been involved in this, the attempted diversion, where he had
8 the records.

9 At this point, at least our impression was
10 John's involvement was much more tangential. The focus of
11 our attention was certainly Colonel North's office. In the
12 sense that John also had records, I just assumed, I guess,
13 perhaps, after the fact, that I knew he was going into his
14 office to get his personal effects and so forth.

15 I assumed there was some monitoring of that also.
16 It wasn't discussed.

17 Q Let me -- I am sort of basically done. I have a
18 few follow-up questions and I will be done.

19 I want to focus on some questions about your
20 knowledge about what Colonel North was doing with regard
21 to the contras.

22 I think probably the easiest way to do it is ask you
23 about specific events that took place and whether or not you
24 were aware of them at the time they were taking place on or
25 about November -- excuse me -- September 9 of 1986, there is

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CAS-13 1 a PROF memo which I think is North to Poindexter which reflects
2 'hat North had learned that President Arias of Costa Rica
3 planned to reveal the fact there was an air strip down there
4 being used in the contra re-supply operation.

5 He had indicated he had called Arias and he
6 thought maybe he had gone a little overboard, but it was
7 important to keep it quiet and various things like that.
8 Were you aware of that general event at or about the time it
9 took place?

10 A Well, I am not -- to my knowledge, I didn't see
11 the PROF note. I assume it was one that went directly to
12 Admiral Poindexter.

13 I was peripherally aware of the fact that there
14 was concern about disclosure of the air field. I wasn't
15 aware of exactly what actions were taken. I wasn't in the
16 decision loop in terms of deciding what was -- what action to
17 take or reporting loop for that matter in terms of what was
18 done.

19 Q What did you know about the air strip?

20 A I knew nothing about it. The first time I ever
21 heard of it was in this context.

22 Q Did you have a conversation with Admiral Poindexter
23 about this air strip?

24 A No.

25 Q Or Colonel North about the air strip?

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CAS-14

1 A NO, I did not.

2 Q Did you have any understanding about what it was
3 about the air strip that was causing people concern?4 A Well, I guess I had an impression that it had to
5 do with our -- with efforts to support the contras and that
6 disclosure of it could -- could cause embarrassment to the
7 Central American governments involved down there.8 So I didn't have any impression there was anything
9 illegal involved whatsoever, that it was a matter of just
10 causing political embarrassment.11 Q Did you -- were you at this time -- this would have
12 been only a week or so after you had arrived, I guess just
13 about exactly a week after you arrived, were you generally
14 aware that one of Colonel North's accounts, or whatever,
15 at the NSC involved the contras?16 A I didn't realize Colonel North had any accounts.
17 I had no knowledge. The first reference I had ever heard of
18 accounts or Swiss banks was the press conference of
19 Attorney General Meese.20 Q I am sorry. I used "accounts" in the wrong way.
21 I meant one of the areas of his responsibility was the
22 contras?23 A No. No. Of course, I knew he was involved in the
24 contra effort. And the Administration efforts to support the
25 contras.**UNCLASSIFIED**
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1 Q Did the subsequent Tower Board Report, it reflects a
 2 lot of different PROF memos back and forth about
 3 Project Democracy, airplanes, this sort of thing. Were
 4 you aware there was this general operation going on down in
 5 Central America that was providing military support?

6 A No. I didn't see any of those PROF notes.
 7 Certainly, not to my recollection. I assumed all of them
 8 took place before I got there and was not aware, aside
 9 from that, I wasn't aware of any operational aspects and
 10 planes. It was my understanding of Project Democracy, it was
 11 the Project Democracy associated with the National Endowment
 12 for Democracy. I assumed that.

13 Q You weren't aware there was another one that was
 14 apparently being run by Colonel North?

15 A I was not aware of that.

16 Q On October 5th, an airplane containing
 17 Eugene Hasenfus, as well as some other people, was shot down
 18 in Nicaragua. Obviously there was a lot of hoopla thereafter.
 19 Do you recall discussing the fact of the shoot-down with
 20 Colonel North? Did you have any conversations with him about
 21 it?

22 A I am sure there must have been conversations with
 23 Colonel North about it, as well as others. Principally,
 24 in the context of, gee, there is a plane that has gone down
 25 there, there is press reports on it, there are implications,

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AS-16 1 contentions, assertions about U.S. Government involvement,
2 are we involved. So we had to obviously respond to
3 that. So it was in the context of, gee, do we know anything
4 about this guy? Is he in any way connected? Has he ever
5 been connected? Is there any Government involvement? In
6 those contexts, I am sure I raised it along with
7 John, with Ollie, to make damn sure we could accurately say
8 there was no Government involvement with Hasenfus, as well
9 as with Ray Burkhart, who was also involved in Central
10 America.

11 Q Do you recall Ollie's response?

12 A In fact -- I am not quite sure, but I think I may
13 have called Clair George at the CIA and said, look, it may not
14 have been this, it may be some other event, but -- may have
15 been the Sam Hall event or some others, in one of the
16 instances where someone was arrested down there to say, look,
17 let's make damned sure this guy -- I want to know has -- does
18 he have any involvement, has he ever been employed? Has he
19 ever been a contractor, et cetera, for the CIA?

20 Q Do you recall what North said to you when you
21 asked him about Hasenfus?

22 A I don't recall specifically what North or anyone in
23 particular said, but I know that what we were being told
24 is that Hasenfus had no involvement with the U.S. Government
25 and that we had no involvement in that operation. That is

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CAS-17 1 the position that we took. To my -- to this day, I assume
2 this is accurate.

3 Q I am basically done here. I was just curious. There
4 was a transfer of TOW missiles in late October 1986.

5 A Right.

6 Q Were you aware of that as of the time it took place?

7 A I was aware that beginning sometime in October --
8 by this time I had learned that there was efforts ongoing
9 to open up channels with the Iranians and that part of our
10 objective, in addition to looking beyond the Ayatollah, for
11 what kind of regime would be there, for, in fact, trying to
12 win the release of the hostages, needless to say, and
13 removing them, as it was put often, removing them as an
14 object of strategic relations.

15 I became aware of that. In the course of October
16 sometime, I became aware that -- in fact, the President
17 approved an agreement to sell 500 TOW missiles to Iran and that
18 the Israelis -- Israel was involved as sort of a conduit
19 for this shipment.

20 I wasn't involved -- I wasn't aware of exactly how
21 it was being implemented and how things were moving.
22 Certainly I wasn't aware of dollars involved and so forth. I
23 was aware of the decision to authorize the sale of 500 TOW
24 missiles.

25 Q Were you aware that Mr. Secord was -- had a heavy

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CAS-18 1 involvement in the actual mechanics of the arms deliveries
2 to the receipt of the hostages?

3 A My impression of Mr. Secord's involvement, as I
4 said previously, I learned he was -- that he was involved
5 with the Iranian connection. But my impression was that he
6 was basically part of the group that was meeting with the
7 Iranians to basically hold these discussions with them. I
8 was not aware of his role in terms of moving arms and
9 facilitating movement of arms.

10 Q Were you ever briefed on the way the financings for,
11 say, the February TOW shipment, February of 1986 TOW shipment
12 had taken place with the use of an intermediary and various
13 accounts?

14 A No. In fact, I am not sure I was aware of the
15 February shipment until very late. I was never briefed on
16 the mechanics and specifics of the financial transaction.
17 It did come up in the course of conversations, again, this
18 sort of first two or three weeks in November time frame, as
19 there was a concerted attempt to put together all the
20 facts.

21 It did come up in sort of a tangential way in the
22 conversations that Ghorbanifar was involved as I knew his
23 involvement was part of the channel one, as it was referred
24 to, but that he was also involved as one of the middle men with
25 some of the money transactions.

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1 So to that extent, you know, I knew there were
2 "middlemen", but I didn't know -- there was never any
3 extensive discussion of exactly how that went.

4 Q And just sort of two final questions. During the
5 times that you met with the President in September, October,
6 November 1986 -- I guess any time during that period, up
7 until the time you left as the National Security -- Acting
8 National Security Advisor, did he ever say anything to you or
9 in your presence that led you to conclude that he was aware
10 there had been a diversion of Iranian arms money to the
11 contras?

12 A Absolutely nothing. In fact, to the contrary.
13 Every time that subject came up, the most benign response
14 from the President was a winch in terms of him --

15 Q This would have been after the November 25th?

16 A Right, exactly. It never came up as I said
17 previously, In any meetings I was in there was never any
18 discussion of a contra diversion at all, period. After
19 November 25th, when it was revealed that there was
20 apparently this attempt, then the President never indicated
21 any awareness to me and to the contrary, that he was quite
22 unaware and surprised at it.

23 Q Finally, just a related question. During the
24 times that you met with the President throughout the period
25 of time you were at the NSC, did he ever say anything to you

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AS-20 1 or in your presence that led you to conclude he was aware that
2 Oliver North may have been involved in providing military
3 supplies to the contras?

4 A No. But that never -- the contras never even
5 came up in any connection in any of our meetings until
6 after the November 25th revelation.

7 MR. EGGLESTON: I have nothing further.

8 EXAMINATION

9 BY MR. VAN CLEVE:

10 Q I have just a few brief questions.

11 I recognize you are on a tight schedule. I am going
12 to try to move through this fairly rapidly. If at any point
13 you don't understand something I am asking, please stop me
14 and I will try to explain the questions.

15 Going back to the meeting that you described on
16 November 10, the one described as a principal meeting with
17 the cabinet, the President, Director Casey, concerning the
18 Iran initiative, as I recall your testimony, Admiral
19 Poindexter briefed the meeting on the course of the
20 Iranian initiative. With the exception of the November
21 shipment, I believe your testimony was that he gave a
22 relatively full account of the history of the Iran initiative.
23 Is that a fair description of your testimony?

24 A Well, the attempt was to go through and relay
25 all the events. I am not sure I would characterize it as a

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CAS-21 1 full account, but the attempt was to tell everything that had
2 transpired and things that had been accomplished. But I
3 can't tell you from recollection whether -- in fact, every
4 event was mentioned.

5 That is my only qualification. I do know there was
6 no November shipment mentioned.

7 Q Right. I am not suggesting -- what I am trying to do
8 is just make sure that in my own mind I understand your
9 testimony to sort of set the stage for the questions.

10 A My point is, for example, I don't recall him
11 mentioning shipment-by-shipment, per se, but more, here is
12 how it began, sort of we found out about the August-
13 September Israeli shipment after the fact. We agreed to that.
14 There was a finding in January. I am not sure that he
15 mentioned the February shipment, if there was a February
16 shipment.

17 If there was a May shipment, I am not sure there
18 was one. I guess there was sort of an aborted attempt where
19 they at least confiscated parts. I am not sure he mentioned
20 each one of these shipments date-by-date.

21 Q He did give a fairly full general description?

22 A The attempt was to give a complete story of what
23 generally had transpired, yes.

24 Q At any point in the meeting, was there a discussion
25 of the merits of the initiative?

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CAS-22 1 A Of course. There was a very strong view
2 certainly by the President that the policy basis of the
3 initiative was sound and that we needed to, in fact, inform
4 the public of the policy basis and the ~~President~~ ^{President} even
5 mentioned, gee~~x~~, the interest and need to establish and
6 maintain some kind of contact with the Iranians principally
7 on a covert basis dated back to the previous Administration,
8 to 1979.

9 Q Was there any dissent from that view?

10 A Not from the standpoint of the strategic
11 importance. And how this all got started in terms of --
12 in fact, I think the record is pretty clear, the strategic
13 basis of how it got started. Where it gets grey and
14 quite controversial is what it evolved into. Certainly
15 there is a perception there that it evolved into an
16 integral part of it was an arms for hostages. But throughout
17 the whole -- I must say that throughout the whole discussion,
18 even up until the very last PROF note from Colonel North or
19 so, I hate to say it was the last one, because he wrote a
20 lot, there was still the view that, by damn, there was a
21 vital strategic interest here and that the President some day
22 would get credit for bringing an end to the Iran-Iraq war.
23 There was always that theme.

24 That was always there. Clearly, there is the-- it
25 is fair to say that the basis of having a -- come to the

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CAS-23 1 conclusion, having a perception it was an integral part of,
2 it was arms for hostages.

3 So there was never any controversy about the
4 strategic objective. There was a view by the Secretary of
5 State, in particular, voiced that, gee, it is going to be --
6 Mr. President, I understand that -- how you feel and the
7 strength of your views of how we got involved and it was not
8 arms for hostages and how you feel, but I -- my own
9 personal view is that it is going to be -- there will be some
10 of the public who are going to have a different perception.

11 That is going to be a difficult thing to explain.
12 There was that sort of expression by the Secretary of State.

13 Q At the November 10 meeting?

14 A At the November 10 meeting.

15 Q Was there any other dissent on the merits of the
16 policy?

17 A Well, again, I wouldn't classify his statements
18 so much as dissent on the merits of the policy. I think he
19 had made his view known and did at that meeting that he
20 didn't agree with the policy and that it -- one of the
21 difficulties is that it did risk this perception that would
22 be difficult to explain.

23 No one else, no -- even -- at least to my
24 recollection -- well, okay. I guess Secretary Weinberger
25 also mentioned that he -- after Secretary Shultz made his

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CAS-24 1 statement, that he also concurred that the congressional
2 reaction at least wasn't going to be as favorable as
3 some believed.

4 There was a very genuine view by a number of the
5 President's advisors, both -- that we had a good story. Once
6 we had the opportunity to tell it -- and the intent was to
7 tell Congress all the story. Once we told all the story to
8 the Intelligence Committees, that they would understand it.
9 Cap dissented from that viewpoint.

10 He said I think it is probably going to be more
11 difficult for Congress to understand.

12 Q Was the cabinet told at the November 10 meeting
13 that contacts, as part of this initiative, had continued up
14 to even after the public disclosures?

15 A Yes. Yes. In fact, I think that weekend there
16 were meetings that he had and, look, again, to put it in
17 context, there was genuine belief that this channel, this
18 second channel, in particular, was an extraordinary
19 connection to those in Iran who has the means and potential
20 ability to influence events in Iran, to our mutual interest.
21 No one was under any misguided impression they were
22 going to do things that were only in our interest.

23 But if we could identify things in our mutual interest
24 and convince them that bringing an end to the Iran-Iraq war
25 was in our mutual interest, no winners, no losers, to their

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CAS-25 1 stopping supporting terrorism was in our mutual interests,
2 both of those in large part because you get them in a position
3 to get beyond their very grave economic woes.

4 So there was -- I must confess, there was
5 excitement about the notion that we had the contact with
6 these people like Rafsanjani, the head of their parliament,
7 the speaker of their parliament, to make those gains. So
8 that really was not an issue.

9 Q Did anyone oppose the concept of making public
10 disclosure, in effect, providing official confirmation of the
11 initiative at this time?

12 A No one really opposed it. I think John was the most
13 concerned about how much we could say. The only issue that
14 arose for the most part was exactly how much we could say.
15 Now, there was a concern that, gee, if you can't say enough,
16 does that help you or hurt you. So there was that kind of
17 debate.

18 So it wasn't a matter of not wanting to tell the
19 public and say as much as you can, but it was a matter of
20 how much can we say, and if we can't say enough, does that
21 hurt us?

22 Q Okay. I believe you testified previously there was
23 a conscious decision at the time of the -- I gather both
24 the speech on November 13th, and at the press conference,
25 not to publicly disclose the role that Israel had played in

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1 the Iran initiative?

2 A That is correct.

3 Q Could you explain -- this is a classified
4 deposition, as best you can, what the rationale was for that
5 decision?6 A Well, like I -- I can explain my understanding of
7 the rationale, although the rationale wasn't discussed in the
8 November 10 meeting, per se.
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]12 Two, because in essence, at least publicly, the
13 Israelis were an avowed enemy of the Iranians, that if that
14 became a public disclosure, and it was associated with the
15 names of those who were involved in Iran, such as Ransanjani,
16 and more importantly perhaps [REDACTED] who was the
17 intermediary, that his life could be at risk, if he were
18 identified as someone who was dealing with the Israelis.19 The notion was that was slightly worse than dealing
20 with the U.S.21 So that was the essence, at least my understanding
22 of the concern about identifying the Israeli connection.23 Again, as far as public identity, there was
24 obviously a decision, and appropriately made, that all the
25 details had to be told to the proper authorities in Congress.**UNCLASSIFIED**

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1 That included the Intelligence Committee, as well as the
2 leadership. They were told about the connection.

3 Q Were you still employed by the National Security
4 Council when the decision was made to release a copy of
5 Admiral Poindexter's memorandum for the President dated
6 January 17, which contained the background for the briefing
7 on the finding itself?

8 A No. I am fairly confident it happened after I left.
9 I think it was after January 2nd.

10 Q Okay.

11 A Second or third when I left the NSC.

12 Q During the period November 3 through November 25,
13 1986, at any time did you hear any discussion connected with
14 the Iran initiative that suggested there was a problem with
15 the pricing of the various weapons shipments?

16 A None.

17 Q I believe you testified earlier, but just to
18 check my memory on this, you were not involved in preparing
19 Director Casey for his testimony before Congress?

20 A I was not. I know -- obviously, as I said before,
21 there was an attempt made to get one set of facts and make
22 sure they were all accurate. So there was a coordination
23 between Director Casey, NSC, Colonel North basically had
24 responsibility for doing that. There was a meeting that
25 Admiral Poindexter had in his office involving all the

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CAS-28 1 players to go over everybody's recollection of the events.
2 But I did not attend that.

3 Q Let me just ask one sort of final question which
4 is really in a somewhat different vein than the
5 previous questions, because it doesn't have so much to do
6 with the factual events of the past several months.

7 Looking back over this period from, say, January
8 1st, 1986, to the present and the sort of general course of the
9 Iran initiative, is there anything based on your current
10 knowledge of these events that suggests to you that the
11 underlying, sort of geostrategic judgment, that was made
12 by the President and his advisers was in some manner
13 mistaken or, today, if you were asked to advise on that
14 subject, would you take the view that it is
15 appropriate for us to, in effect, move to a sort of
16 normalization of relations with Iran?

17 A Well, certainly the geostrategic basis is sound.
18 The need to at least look ahead in terms of what Iran is
19 going to be post-Khomeini is terribly important to the U.S.
20 and is obviously in our vital interests that we do so.

21 One can argue about how one does that. That is
22 where the controversy, needless to say, comes in. There
23 should be no argument about the geostrategic importance of
24 establishing relations with Iran.

25 There ought to be clear conditions for doing that.

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1 But, needless to say, to the extent we can influence those
2 conditions, it is going to be determined by the extent we
3 can have contact with those elements within Iran -- I won't
4 try to classify them as moderates, radicals, or give
5 them any labels.

6 Those elements where there is a greater congruency
7 of view between what is in our mutual interests. So that is
8 important.

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MR. VAN CLEVE: Did you have anything further?

13

MR. EGGLESTON: No. I have nothing further.

14

MR. VAN CLEVE: Thank you, Doctor, for your

15

appearance.

16

(Whereupon, at 11:35 a.m. the deposition was

17

adjourned.)

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DEPOSITION OF

AMBASSADOR ALTON G. KEEL

The deposition hearing convened at 1000 hours, 3 September 1987, in Room 910, the Hart Senate Building, District of Columbia.

PERSONS PRESENT

AMBASSADOR ALTON G. KEEL (Located in Brussels, Belgium)

MR. MARK BELNICK, EXECUTIVE ASSISTANT TO THE CHIEF COUNSEL
UNITED STATES SENATE SELECT COMMITTEE
ON SECRET MILITARY ASSISTANCE TO IRAN
MR. MIKE ALMSTED, COUNSEL TO THE WHITE HOUSE

The deposition was taken via closed circuit telephone. Ambassador Alton G. Keel was in his office at NATO Headquarters, Brussels, Belgium. Mr. Belnick, Mr. Almsted and the reporter were on telephone extensions located in room 910, the Hart Senate Building, District of Columbia.

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1 MR. BELNICK. Mr. Ambassador?

2
3 AMBASSADOR KEEL. Yes.

4
5 MR. BELNICK. And Mike?

6
7 MR. ALMSTED. Yes, I'm here.

8
9 MR. BELNICK. Okay, Mr. Ambassador, this is Mike Almsted who
10 is with the White House Counsel.

11
12 MR. ALMSTED. Good day, Mr. Ambassador.

13
14 MR. BELNICK. All right, we have a reporter, Mr. Ambassador,
15 on the line, and she will administer the oath. Okay?

16
17 AMBASSADOR KEEL. Fine.

18
19 REPORTER. Do you swear that the testimony you are about to
20 give in this hearing shall be the truth, the whole truth and,
21 nothing but the truth, so help you God?

22
23 AMBASSADOR KEEL. Yes, I do.

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1 MR. BELNICK. Doctor Keel, we're on the record now and the
2 oath has been administered. Doctor Keel, you are currently
3 Ambassador to NATO?
4

5 AMBASSADOR KEEL. That is correct.
6

7 MR. BELNICK. And you were appointed to the National Security
8 Council staff on September 2, 1986?
9

10 AMBASSADOR KEEL. Around or about September 2, yes, that's
11 correct.
12

13 MR. BELNICK. At that time you were Acting Deputy National
14 Security Advisor?
15

16 AMBASSADOR KEEL. I was appointed as Acting Deputy National
17 Security Advisor, yes.
18

19 MR. BELNICK. And you became Acting National Security Advisor
20 on November 25, 1986, when Admiral Poindexter resigned?
21

22 AMBASSADOR KEEL. That's correct. I'm not sure I got your
23 full comment there. There was a long pause in between your first
24 question on September 2nd, and then the only thing I heard next
25
26

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1 was November 25th, I was made Acting National Security Advisor.
2 The answer to that is yes, but I'm not sure if you had said
3 anything in between.
4

5 MR. BELNICK. I had not, and Mr. Ambassador, just so the
6 record is clear, when the witness said he was having trouble
7 hearing, the record should reflect that this deposition is being
8 taken by overseas telephone. The Ambassador is in Brussels and
9 Mike Almsted and I are in Washington, D.C. That accounts for some
10 of the difficulty. Did you hear that, Mr. Ambassador?
11

12 AMBASSADOR KEEL. Yes, I heard that loud and clear. Thanks.
13

14 MR. BELNICK. Mr. Ambassador, for how long did you remain
15 Acting National Security Advisor?
16

17 AMBASSADOR KEEL. From November 25th, to the date of
18 approximately January 2nd...November 25th of course 1986, until
19 approximately January 2nd, 1987.
20

21 MR. BELNICK. Right. Now you were previously examined in
22 this matter by an attorney for the House Committee back on March
23 18, 1987. Do you recall that?
24

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AMBASSADOR KEEL. I do in fact recall giving a fairly extensive deposition, yes, to the House Counsel, with the understanding, of course, that it was going to be shared ^{with} the Senate.

MR. BELNICK. And it has been shared with us, and I have provided you with a copy of the transcript of that deposition. Right?

AMBASSADOR KEEL. The date on it is in fact March 18th, yes.

MR. BELNICK. Have you had a chance to review that transcript?

AMBASSADOR KEEL. As a matter of fact I have just this morning reviewed that transcript.

MR. BELNICK. Doctor Keel, did you find anything in the transcript that was inaccurate or wrong?

AMBASSADOR REEL. I don't think so, Mark, except for one possible exception. It may be minor, but it involves the name of a personality. I noticed in reading through it, I believe I responded to a question of where did I watch the President's

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1 speech and who was there. I think I probably said I was in
2 Admiral Poindexter's office and I named a number of people who
3 were there, but I think I inadvertently said Mr. McFarlane was
4 there, when I meant Mr. McDaniel.

5
6 MR. BELNICK. Okay, and that was the speech on November 13,
7 1986?

8
9 AMBASSADOR KEEL. That is correct, so either I was
10 misunderstood or I misspoke; I don't know which, but that is the
11 only thing that I noticed in reading through it once this
12 morning.

13
14 MR. BELNICK. Okay, with that correction which is now noted
15 on the record, the remainder of the transcript was accurate?

16
17 AMBASSADOR KEEL. That's correct.

18
19 MR. BELNICK. Okay, Doctor Keel, you first learned of the
20 diversion on what date?

21
22 AMBASSADOR KEEL. That there was a suspicion of a diversion
23 when Admiral Poindexter indicated to me the morning of the 25th,
24 that he in fact was about to resign and it had to do with the fact

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1 that apparently some money was supposedly diverted to the
2 Contras.

3
4 MR. BELNICK, Right, that was November 25, 1986?

5
6 AMBASSADOR KEEL. That's correct.

7
8 MR. BELNICK. And Admiral Poindexter told you at that time
9 that he was not fully aware of the diversion when it took place?

10
11 AMBASSADOR KEEL. He told me to the effect as I remembered
12 it, and as I previously testified, something to the effect that he
13 was vaguely aware but not aware of the details, but had some
14 suspicions that it was happening and I didn't really probe him any
15 further than that. It was, in fact a bit of a sad moment for me
16 for all the obvious reasons, but that is, to paraphrase and
17 characterize, that is in essence what Admiral Poindexter
18 indicated.

19
20 MR. BELNICK. Did Admiral Poindexter indicate to you on
21 November 25, who had approved or authorized the diversion?

22
23 AMBASSADOR KEEL. No, it didn't specifically come . The
24 implication of what he said, at least the implication I was left

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1 with was that no one had any knowledge other than he and he only
2 had a general knowledge as I described it. I never asked if
3 anyone else authorized it, and he didn't indicate anything.

4
5 MR. BELNICK. You say the impression you had was that only he
6 had knowledge, but he must have mentioned, as you previously
7 testified, that Colonel North was involved as well. Correct?

8
9 AMBASSADOR KEEL. Well, exactly the point...of course, the
10 entire conversation was in the context of it appeared that Colonel
11 North may have diverted some funds.

12
13 MR. BELNICK. All right, Doctor Keel, from November 25 until
14 the day you ceased being National Security Advisor, were you
15 present at any conversations with the President when the subject
16 of the diversion was discussed?

17
18 AMBASSADOR KEEL. When the discussions came up, it was
19 typically for example in the context of a nine-thirty National
20 Security Briefing that was done daily that I did, it wouldn't have
21 been unusual to have mentioned the state of the Iran
22 investigations and so forth. So, I'm sure in some of those
23 meetings that the diversion and the fact of the diversion came up,
24 etcetera and how much difficulty this was causing, and so on and

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1 so forth. There wasn't...I mean, I wouldn't characterize any
2 specific meeting where we met to discuss the diversion, but it
3 obviously came up in the course of conversations, I would submit,
4 at a number of meetings. Throughout all of those meetings, I
5 would certainly characterize the President's reaction as one of
6 dismay and surprise, and even a bit of chagrin and perhaps
7 disappointment; obviously disappointment.

8
9 MR. BELNICK. Doctor Keel, do you recall any specific
10 comments that the President made about the diversion in your
11 presence at any meetings you attended with him or conversations
12 that you were present at?

13
14 AMBASSADOR KEEL. Well, I wouldn't want to attribute any
15 specific words to the President, but more in terms of reaction.
16 Any time it was brought up, his general reaction was one of
17 concern that there was any diversion attempts and that it was
18 certainly a surprise to him, and so forth. But I certainly can't
19 proffer any specific words that would be proper enough to ascribe
20 directly to the President, other than just characterizing his
21 reaction to event.

22
23 MR. BELNICK. Doctor Keel, once you became National Security
24 Advisor, I take it that you conducted the daily nine-thirty a.m.

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1 National Security Briefings with the President. Am I right?

2
3 AMBASSADOR KEEL. That is correct.

4
5 MR. BELNICK. Was anyone else present at those briefings
6 apart from you and the President?

7
8 AMBASSADOR KEEL. Yes, essentially without exception, the
9 Chief of Staff, who at that point was Don Regan and the Vice
10 President was there, and normally Rod McDaniel, who was the
11 Executive Secretary, would attend.

12
13 MR. BELNICK. Did anyone make notes of those briefings?

14
15 AMBASSADOR KEEL. Routinely, certainly no one from NSC staff
16 made notes of those meetings. That was the practice the entire
17 time I was there, first as Acting Deputy and finally as National
18 Security Advisor. And it was my impression that was the practice
19 before I arrived. The notes that typically were taken were those
20 of action item notes. There was no conscious undertaking to try
21 to transcribe the meetings, no. The Chief of Staff had a habit of
22 jotting notes for his own purposes, but again, obviously he wasn't
23 intended or expected to be the note-taker of those meetings.

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1 MR. BELNICK. One final question on this line, and I respect
2 what you've told me about not wanting to attribute words to the
3 President that you don't recall and I certainly don't want you to
4 do that, but my question is, do you recall generally or
5 specifically, whether in any of the occasions when you heard the
6 President react to the diversion, whether he expressed any view as
7 to the propriety in his view of that activity?

8
9 AMBASSADOR KEEL. Well, Mark, I just am not competent enough
10 to answer the question regarding the propriety and the President's
11 reaction because I frankly don't think it was ever brought up in
12 quite that context. It was more an assumption at least that those
13 people were taking for granted that it shouldn't have happened,
14 and it especially shouldn't have happened without the President
15 knowing. So that was certainly the mood, impression that I had
16 throughout those meetings, but I can't say, or I can't attribute
17 any specific remark to the President where either he volunteered
18 or someone brought up, "Do you think, Mr. President, this was a
19 proper action." I think it was just taken for granted that it
20 wasn't, and the clear impression that that was his mood and
21 reaction and so forth.

22
23 MR. BELNICK. Fine. Let me move, if I may, to another
24 subject. Doctor Keel, are you familiar with something that has

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been referred to as the "Nine Point Agenda" or the "Hakim Accords." Do you know what I'm referring to when I talk about such a document?

AMBASSADOR. I am vaguely familiar with what had been referred to as "Nine Point Agenda." I don't know it as the "Hakim Accord," if it's one and the same. I became aware of the Nine Point Agenda after....Let me think for a second....Yes, it was after November 25th, after I was Acting National Security Advisor and it was in the context of the State Department and CIA having decided to pursue the contact in part with the Iranians to tell them unequivocally "No more arms sales." Part of what came back from that meeting, and I can't tell you the exact date, but it must have been sometime early December, I can't tell you from memory. Part of what came back from that meeting was that the Iranians had referred to a "Nine Point Agenda." When I heard that from the Secretary of State, I initiated all the NSC staff to an effort to try to find if there was any such agenda, and have my people, the NSC people talk with CIA people and others to see if they were aware of any such agenda. But I don't believe before I left that we actually found any documents on which appeared that agenda. My understanding is that subsequently such documents have been found. That is my general knowledge of what has become known as the "Nine Point Agenda."

11 1234567891011121314151617181920212223242526272829303132333435363738394041424344454647484950515253545556575859606162636465666768697071727374757677787980818283848586878889909192939495969798991001011021031041051061071081091101111121131141151161171181191201211221231241251261271281291301311321331341351361371381391401411421431441451461471481491501511521531541551561571581591601611621631641651661671681691701711721731741751761771781791801811821831841851861871881891901911921931941951961971981992002012022032042052062072082092102112122132142152162172182192202212222232242252262272282292302312322332342352362372382392402412422432442452462472482492502512522532542552562572582592602612622632642652662672682692702712722732742752762772782792802812822832842852862872882892902912922932942952962972982993003013023033043053063073083093103113123133143153163173183193203213223233243253263273283293303313323333343353363373383393403413423433443453463473483493503513523533543553563573583593603613623633643653663673683693703713723733743753763773783793803813823833843853863873883893903913923933943953963973983994004014024034044054064074084094104114124134144154164174184194204214224234244254264274284294304314324334344354364374384394404414424434444454464474484494504514524534544554564574584594604614624634644654664674684694704714724734744754764774784794804814824834844854864874884894904914924934944954964974984995005015025035045055065075085095105115125135145155165175185195205215225235245255265275285295305315325335345355365375385395405415425435445455465475485495505515525535545555565575585595605615625635645655665675685695705715725735745755765775785795805815825835845855865875885895905915925935945955965975985996006016026036046056066076086096106116126136146156166176186196206216226236246256266276286296306316326336346356366376386396406416426436446456466476486496506516526536546556566576586596606616626636646656666676686696706716726736746756766776786796806816826836846856866876886896906916926936946956966976986997007017027037047057067077087097107117127137147157167177187197207217227237247257267277287297307317327337347357367377387397407417427437447457467477487497507517527537547557567577587597607617627637647657667677687697707717727737747757767777787797807817827837847857867877887897907917927937947957967977987998008018028038048058068078088098108118128138148158168178188198208218228238248258268278288298308318328338348358368378388398408418428438448458468478488498508518528538548558568578588598608618628638648658668678688698708718728738748758768778788798808818828838848858868878888898908918928938948958968978988999009019029039049059069079089099109119129139149159169179189199209219229239249259269279289299309319329339349359369379389399409419429439449459469479489499509519529539549559569579589599609619629639649659669679689699709719729739749759769779789799809819829839849859869879889899909919929939949959969979989991000100110021003100410051006100710081009101010111012101310141015101610171018101910201021102210231024102510261027102810291030103110321033103410351036103710381039104010411042104310441045104610471048104910501051105210531054105510561057105810591060106110621063106410651066106710681069107010711072107310741075107610771078107910801081108210831084108510861087108810891090109110921093109410951096109710981099110011011102110311041105110611071108110911101111111211131114111511161117111811191120112111221123112411251126112711281129113011311132113311341135113611371138113911401141114211431144114511461147114811491150115111521153115411551156115711581159116011611162116311641165116611671168116911701171117211731174117511761177117811791180118111821183118411851186118711881189119011911192119311941195119611971198119912001201120212031204120512061207120812091210121112121213121412151216121712181219122012211222122312241225122612271228122912301231123212331234123512361237123812391240124112421243124412451246124712481249125012511252125312541255125612571258125912601261126212631264126512661267126812691270127112721273127412751276127712781279128012811282128312841285128612871288128912901291129212931294129512961297129812991300

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1 MR. BELNICK. All right, we are talking about the same
2 document. Let me pursue that, if I may, Doctor Keel. The contact
3 with the Iranians that was then in progress as of and after
4 November 25, was contact with people who have become, or person or
5 persons who have become known as the "Second Channel." That's a
6 phrase familiar to you?

7
8 AMBASSADOR KEEL. It is, yes.
9

10 MR. BELNICK. And of course, just for the record, let me
11 remind again that we are on a secure call and this is a classified
12 deposition and the reporter is "Top Secret" "Code Word" cleared,
13 Doctor Keel, so we can speak freely on this deposition. Do you
14 understand that, sir.
15

16 AMBASSADOR KEEL. Yes, I do. That was explained to me before
17 our conversation began, yes.
18

19 MR. BELNICK. Okay, thank you. You were aware of discussions
20 involving the White House, the State Department and the CIA,
21 subsequent to November 25, about this further meeting that was to
22 take place with the Second Channel. Correct?
23

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1 AMBASSADOR KEEL. Well, let me tell you what I was aware of,
2 to make sure there is no misunderstanding.

3
4 MR. BELNICK. Fine.

5
6 AMBASSADOR KEEL. Subsequent to November 25th, one decision
7 that was made was that the State Department ought to have the lead
8 in any Iranian initiative it might take, and in fact as I
9 previously indicated in my deposition, one of the first actions
10 that we took from a Presidential direction, was I issued a memo
11 the first Saturday after November 25th, my first opportunity to
12 discuss it with the President saying there would be no more NSC
13 involvement in any secret, sensitive missions of an intelligence
14 or operational basis until further notice and certainly until, in
15 fact the Tower Commission had approved our recommendations and the
16 President had had an opportunity to reflect on them. So, in part,
17 for that reason and that the State Department had taken the lead,
18 and properly, so as a consequence, there has been no NSC or White
19 House person involved. That's the only clarification I wanted to
20 make to make sure I was tracking your question in terms of any
21 actual meeting with the State Department people and CIA people.
22 State and CIA then made a decision to in fact pursue the contact,
23 and I can't really remember now whether the Channel Two contacted
24 CIA or vice versa, but the decision was basically made that there

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1 ought to be a meeting and, as I mentioned before, one clear
2 purpose of that meeting ought to be to indicate there would be no
3 more arms sales to the Iranians. So, I just wanted to make sure
4 that I had your question right. The meeting itself did take
5 place, but it did not involve any White House people, but I think
6 perhaps State and CIA people.

7
8 MR. BELNICK. And the meeting we are talking about took
9 place, the record indicates, on December 13, 1986, in Europe.
10 Does that sound right to you from your recollection?

11
12 AMBASSADOR KEEL. Yes, it was certainly early December, and
13 that sounds about correct.

14
15 MR. BELNICK. And my understanding is that attending for the
16 State Department was Ambassador Dunbar, and for the CIA, George
17 Cave. Does that comport with your recollection?

18
19 AMBASSADOR KEEL. Yes, it does, especially after you have
20 told me. I probably would have had trouble recalling who it was
21 done by in particular, but I do remember at least the first
22 meeting it was George Cave because he helped when one of the US
23 people were involved, in fact he was the CIA person involved in
24 previous meetings and he also spoke Far^{SL}.

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1 MR. BELNICK. Now, Doctor Keel, do you recall that prior to
2 this meeting but in anticipation of it, the State Department, and
3 particularly Secretary Shultz were taking the position that the
4 Channel should be used solely for intelligence purposes and not
5 policy; that in sort, policy and intelligence ought to be separate
6 and not combined in the same channel. Do you recall that?

7
8 AMBASSADOR KEEL. Mark, are you there?

9
10 MR. BELNICK. Yes, let me repeat the question. Do you recall
11 that in setting up the meeting that was to take place with the
12 Second Channel in December, Secretary Shultz and the State
13 Department were taking the position that the Channel should not be
14 a combined intelligence and policy channel, but should be used for
15 intelligence only, and that policy and intelligence ought to be
16 treated separately when it came to the Iran contacts from that
17 point forward as opposed to being combined in one channel. Do you
18 recall that position being taken by the State Department and
19 Secretary Shultz.

20
21 AMBASSADOR KEEL. Yes, I do. I came to know it, I must
22 confess, by somewhat circuitous route. I did not know, frankly,
23 that a meeting was planned. I came to know that a meeting was
24 planned by the fact that some draft talking points, to use the

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1 vernacular for such meetings, had been prepared and agreed to,
2 presumably between State and CIA. I was oblivious to it as Acting
3 National Security Advisor and I found out when Mr. Regan called
4 me, he either called me into his office or on/ the phone, I just
5 can't remember which, and said that he had just had a conversation
6 with Director Casey and that a meeting was planned and that
7 Director Casey was very upset that State Department may be too
8 narrowly defining the Channel, so that if some positive
9 development should come through the Channel on the part of the
10 Iranians, if we were going to basically close it down we would
11 forego that possibility. That is how I learned first that there
12 even was a meeting and that there were an agreed set of talking
13 points. To be candid, I was a little bit upset that I had learned
14 about it that way as Acting National Security Advisor, though it
15 was proper that State should take the lead, but it certainly
16 wasn't appropriate that the White House NSC was oblivious to what
17 developments were ongoing and hence the President would have been
18 oblivious. So, I then contacted, I can't remember, I believe it
19 was...meanwhile, I think Bill Casey called me directly after Don
20 Regan talked to me, and basically told me the same thing. Perhaps
21 meanwhile Don had called him back. I just don't know, but I think
22 I had likely gotten a call from Bill Casey in the interim. Before
23 that, I had gotten ahold of, I think John Whitehead; I think
24 George Shultz was out of town. I told John of the development
25 that Bill was concerned about talking points, and more importantly

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1 I was concerned that something was planned that I was oblivious to
2 and as a consequence, the President was oblivious to, and that we
3 all agreed State ought to take the lead, but that we ought to have
4 had had enough lessons learned from everybody not knowing what was
5 going on and there ought to be full coordination of any such
6 policy. In fact, John Whitehead didn't appear to be particularly
7 euphoric. This may have been done, I guess Mike Armacost might
8 have been the one who negotiated the talking points with Bill
9 Casey, and I think Mike had written it down. I was at the Airport
10 and I indicated to John Whitehead that we've got to get this
11 resolved and Don Regan had already indicated that we need to bring
12 this up with the President.
13

14 So, it could have been the regular nine-thirty meeting, I'm
15 just not confident enough now to tell you, but at a subsequent
16 meeting with the President, this was raised. In fact, there was
17 controversy, and the talking points had been worked out, and it
18 was basically agreed that the essential element of what ought to
19 be done, which everybody agreed on, is the ^emessage ought to go to
20 the Iranians "no more arms," period. That was it. There was,
21 frankly in fact either on the part of the president...well, it was
22 completely on the part of the President, it was his decision, that
23 at the same time we ought not to be totally insensitive to any
24 positive initiatives coming back through that Channel; that we
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1 ought not to do anything that is going to trigger an adverse
2 Iranian reaction such as some consequence the hostages might
3 suffer or some other consequence, and that we ought to be careful
4 in our passing on this message of no more arms to not forego the
5 possibility of this so-called Channel Two still producing positive
6 results, either with respect to the hostages or with respect to
7 the strategic relationship. So, that's a long answer, but I
8 wanted to give you the full context. I know the State
9 Department's view was that we've just got to get the Intelligence
10 out of this, but the issue was a little more complex than just
11 being able to surgically separate out Intelligence from policy.
12 It was more a matter of "do we want to keep this line of
13 communication"? Do we want to refuse to accept or be receptive to
14 positive policy initiative in this line of communication. So that
15 was a nuance that was worked into those talking points.

16
17 MR. BELNICK. Your answer was very helpful. Let me go on
18 with that because you've answered a number of questions.

19
20 AMBASSADOR KEEL. And I think it was subsequent to that
21 discussion that the Secretary of Defense also learned about an
22 issue and called me and said that he was upset that he didn't know
23 and I explained that I had just found out and consequently didn't
24 know, and that I totally agreed that there should have been

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1 coordination and subsequent to that, I arranged an NSPG key
2 meeting at the national security level to discuss the whole issue
3 of where we go in our policy with respect to Iran.

4
5 MR. BELNICK. In the meeting that you described a few moments
6 ago, not the NSPG meeting, but the meeting with the President,
7 where the issue was raised, do you recall who was in attendance
8 aside from you and the President?

9
10 AMBASSADOR KEEL. I can with pretty much precision. I know
11 that Don Regan was there, and obviously I was there, the President
12 was there, the Vice President may have been there, that would have
13 been the case if it were a normal nine-thirty meeting, but I just
14 can't tell you for sure whether it was a normal nine-thirty
15 meeting or some other meeting where we just walked out of Don's
16 office and walked into the Oval Office. So, it was at least the
17 President, myself, Don Regan, and maybe the Vice President, but
18 that would have been about it.

19
20 MR. BELNICK. No one from the State Department?

21
22 AMBASSADOR KEEL. No, this was sort of a real live situation
23 where we had people in-route and John Whitehead was, of course,

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1 Acting Secretary. So no one from CIA or any other Agency was
2 there.

3
4 MR. BELNICK. Yes, I understand, and also from your answer, I
5 understand that the President essentially rejected, to that
6 extent, the view of the State Department about restricting this
7 Channel at the time to intelligence only. Am I correct?

8
9 AMBASSADOR KEEL. Well, I guess the essence of it, you can
10 conclude that, but as I tried to indicate, the policy decision was
11 a little more complex than just whether it should be intelligence
12 or not. It was whether or not we ought to still be receptive to,
13 quote, "policy initiatives" on the part of the Iranians through
14 this Channel, and the view was that we ought to be confident
15 enough to be able to say yes or no to a policy initiative
16 regardless of the Channel if it were in our interest and hence, we
17 ought to be receptive to it, but not limit ourselves to this being
18 the policy channel. There were other channels that the State
19 Department would be pursuing and were fully supported and
20 moreover, we shouldn't take any actions certainly at that point
21 where we would frankly precipitate any hostile act on the part of
22 the Iranians. So we were sensitive to all that nuance, so it
23 really didn't boil down to clearly whether you ought to separate

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1 intelligence and policy channel. The question just didn't lend
2 itself to be framed in that precise a manner.
3

4 MR. BELNICK. But the President, you say, made it clear
5 though that being receptive did not include being receptive to
6 requests for additional arms sales; that there were to be no more
7 arms sales or discussions of arms sales with the Iranians. Is
8 that correct?
9

10 AMBASSADOR KEEL. That is absolutely correct. In fact, the
11 principle purpose with talking points was just that, to indicate
12 no more arms.
13

14 MR. BELNICK. Okay. Now did you report the outcome of that
15 meeting to Secretary Whitehead?
16

17 AMBASSADOR KEEL. I reported either to Whitehead, or
18 meanwhile I may have been able to get to Mike Armacost. I
19 probably reported it to both, indicating ~~the~~ the basis of the
20 President's decision. They didn't seem, frankly, particularly
21 bothered with the kind of explanations that I just gave you,
22 although I think their druthers would have clearly been to have
23 just State people only be involved in policy. I think that
24 bothered them more than anything else. In fact, they mentioned
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1 that, well, regardless, we want to get John Cave out of this
2 channel.

3
4 MR. BELNICK. George Cave.

5
6 AMBASSADOR KEEL. Not John Cave, George Cave, if you think
7 Cave in some way, interferes with the productive relationship,
8 then by all means, that ought to be done.

9
10 MR. BELNICK. Okay. Doctor Keel, did there then come a time
11 that you heard from Secretary Shultz about what had happened at
12 the meeting with the Second Channel which took place on December
13 13?

14
15 AMBASSADOR KEEL. Yes, I think shortly after that meeting, as
16 a matter of fact, I believe the Secretary had just gotten back in
17 town and he had learned of the meeting. I guess he had learned
18 also of this modification of the precise instruction. I was told
19 by, which is normal procedures as Acting National Security
20 Advisor, I was told by the White House Communications people, who
21 indicated that the Secretary wanted the meeting with the
22 President. I called the Secretary, phone secure, on I believe
23 this was Sunday, from my home and said I understood they wanted a
24 meeting, and obviously we would try to set that up. He then went

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1 on to say, "Yes, it's very important, I have got some information
2 which things are still going on in these channels." He said "
3 more than we really knew before." I don't know how much he really
4 went into detail with me on the secure phone, but the net result
5 of all that was we set up a meeting in the Oval Office on, I
6 believe Sunday morning; it could have been Sunday afternoon, but
7 he and I went in and met with the President and he indicated he
8 was very concerned that he had discovered, what I believe that was
9 was my first knowledge of the "Nine Point Agenda." He had
10 discovered a nine point agenda, and the most troublesome aspect of
11 it was one point that involved the Kuwait prisoners.

12
13 MR. BELNICK. The so-called Daiwa prisoners being held by
14 Kuwait?

15
16 AMBASSADOR KEEL. On the part of the Iranians, and obviously
17 I was surprised at that and so was the President.

18
19 MR. BELNICK. Let me stop you there for a moment, Doctor Keel.
20 Talking about the Daiwa prisoners which Kuwait held and that
21 portion of the Nine Point Agenda, which would have involved the
22 United States putting pressure on Kuwait to release those
23 prisoners as part of a deal. What was the President's reaction

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1 when Secretary Shultz informed him of that feature of the Nine
2 Point Agenda?

3
4 AMBASSADOR KEEL. Well, he indicated that that was
5 never....that that was inconsistent with our policy; it was never
6 part of our policy and that was exactly what we didn't want to do
7 because that would, certainly in his view, in anyone's view, be
8 dealing with terrorists^S and meeting the terrorists' demand, and the
9 only way to conclude it was the US Government was involved with it
10 certainly. So, he was quite adamant that that was never our
11 position and never approved policy, if that was the case. As I
12 said, I was also surprised. I indicated I would certainly try to
13 find out if any such agenda existed, and that's when, as I
14 indicated to you previously, that I directed my staff to start
15 researching and talking with people in the other agencies who
16 might know if any such agenda did exist.

17
18 MR. BELNICK. What else^d do you recall about that meeting
19 among you, the President and Secretary Shultz concerning the
20 outcome of the session with the Second Channel?

21
22 AMBASSADOR KEEL. Well, I think the Second Channel was
23 basically conveying...He tried to convey that there might be more
24 to what had been said in these meetings than we all knew.
25
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1 Secondly, it was very clear that the Iranians were interested in
2 more arms; however, obviously we had delivered the message to them
3 that there would be no more arms. So I think that was the
4 Secretary's intent, was to convey that straight with his own views
5 and concerns to the President, and he did so, and as I said, the
6 President shared the concerns.

7
8 MR. BELNICK. Was there any decision reached at that
9 meeting?

10
11 AMBASSADOR KEEL. The Secretary really didn't ask for a
12 decision. The one thing that I mentioned, as I have said, is that
13 I sure would endeavor to try to find out, along with State and CI
14 people, if they could find any such agenda. But the Secretary
15 really didn't ask for any specifics. Certainly, I don't recall
16 him asking for a specific decision. It would have been a little
17 unusual for him to ask for a decision, with just basically myself
18 and the President, for him to ask for a decision. So, I don't
19 recall him asking for any decision nor any decision, specific
20 decision, being made.

21
22 MR. BELNICK. Was it his attitude or approach in effect that
23 what ever was going on with this Nine Point Agenda ought to be
24 stopped and shut down, and the policy re-emphasized that we were

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1 not going to sell more arms, or pressure the Kuwaites to release
2 the Daiwa prisoners or anything of that kind?

3
4 AMBASSADOR KEEL. Well, as I said, all of us had that
5 attitude, but he did not say, "Well, Mr. President, we've got to
6 go back and tell them that that's not valid," because in essence
7 we had already told them that. He went over with instructions
8 that said, "No more arms." We also, in reaction to them favoring
9 this Nine Point Agenda, said, and I'm trying to paraphrase here,
10 but something to the effect that what understanding they may have
11 had, you are dealing with new people now, and any understanding
12 now has the official standing on the part of the US Government.
13 And I'm paraphrasing very liberally, but to make the point that
14 the message had already gone to the Iranians certainly through
15 purposes of this Channel, that that sure wasn't valid and the US
16 Government certainly had no intent to stand by it, if it existed.
17 So, all of us obviously agreed with that, and then, I mean, the
18 President, myself and George Shultz, we were discussing that
19 clearly was our case and we needed to continue to do everything
20 possible to make damn sure there was no confusion.

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1 MR. BELNICK. Right.

2
3 AMBASSADOR KEEL. It wasn't a decision to go out and tell the
4 Iranians for the first time that was the case. We had in essence,
5 already told them that in the course of the meeting that had just
6 taken place.

7
8 MR. BELNICK. Was there any discussion of the CIA's role in
9 connection with this Nine Point Agenda, and specifically in
10 connection with George Cave's position at the meeting, namely,
11 that Cave seemed to know about that agenda?

12
13 AMBASSADOR KEEL. There may have been but I just can't tell
14 you with any precision whether at that meeting in the Oval Office
15 that Sunday. The Secretary mentioned, I do recall, that at some
16 point downstream in the ~~downstream~~ ^{succeeding} days of our trying to figure out
17 if there was a Nine Point Agenda and who knew what about it, that
18 I became aware that at least George Cave thought that there was
19 some sort of agenda and that at least the release of Kuwaiti
20 prisoners, without US involvement might have been part of it, but
21 I don't recall George Shultz bringing that up that day, but I do
22 recall sometime downstream that George gave what appeared to be an
23 indication that there did exist something in the nature of a Nine

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1 Point Agenda and that the Daiwa prisoners were one item on it for
2 discussion.

3
4 MR. BELNICK. Did you learn, either at the meeting in the
5 Oval Office on that Sunday or in subsequent days, whether the
6 President had any prior knowledge of this Nine Point Agenda being
7 in existence?

8
9 AMBASSADOR KEEL. I never learned if he had any prior
10 knowledge of it, and to my knowledge today he had no prior
11 knowledge of it. In fact, as I said, before I left I couldn't
12 even find documentation to support it, except the reference that
13 George Cave apparently had some memory of it.

14
15 MR. BELNICK. Well, did you find out from George Cave, or
16 from anyone at the CIA, how this Nine Point Agenda had come into
17 being? Did you ask?

18
19 AMBASSADOR KEEL. I had my staff asking. That obviously
20 wasn't the place of the staff officer, but I had my NSC people
21 talking to George Cave and everyone else who may possibly know
22 about it, as well as State Department people. But as I said, up
23 until the time that I left, which was roughly two or three weeks
24 later, we did not verify the existence of the Nine Points or what

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1 the Nine Points were; it was just George Cave's recollection, to
2 my staff and then passed to me and the State Department people had
3 passed to me, that he seemed to remember there being an Agenda and
4 again the Daiwa prisoners being one item for discussion. So we
5 never got to the point of even establishing, before I left, what
6 the Nine Points were, and it never got to the stage of
7 establishing who established them.

8
9 MR. BELNICK. Let me just press it a little bit, Doctor Keel.
10 When Cave gave his recollections to your staff, did he say when he
11 first heard that there was such a thing as a Nine Point Agenda?

12
13 AMBASSADOR KEEL. I can't tell you with any precision exactly
14 what George gave to my staff and I certainly don't remember his
15 reference to any specific date.

16
17 MR. BELNICK. Did the names of Secord, Hakim, and/or North
18 come up while you were there in connection with this Nine Point
19 Agenda? While you were there, meaning before you left office as
20 Acting National Security Advisor?

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1 AMBASSADOR KEEL. I'm sorry. Say again?

2

3 MR. BELNICK. Before you left your office as Acting National
4 Security Advisor, did the names of Secord, Hakim and/or North come
5 up in connection with the Nine Point Agenda?

6

7 AMBASSADOR KEEL. I don't recall any of the names being
8 brought up in the context of the Nine Point Agenda, from any US
9 representative or any foreign representatives of the US. The only
10 recollection that I have is in our course in trying to find out
11 more about it was that George Cave seemed to remember in one of
12 the discussions or meetings that he had been involved in that a
13 discussion of something of a nature of a Nine Point Agenda, or an
14 agenda, whether it was nine points or eight points or whatever the
15 number.

16

17 MR. BELNICK. Doctor Keel, did you or any members of your
18 staff ask Director Casey what he knew of the Nine Point Agenda?

19

20 AMBASSADOR KEEL. I did not ask him directly and I don't
21 believe my staff did. I don't know if George Shultz did, but
22 principally State, as I mentioned before, had taken the lead on
23 the Iran initiative, so although we were trying to find out in NSC
24 if we could determine if there was any Nine Point Agenda and if

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1 any such documents existed in NSC, State was also very busy trying
2 to find out everything they knew. The point of what I was
3 learning, I was learning from State as well as my own staff.
4

5 MR. BELNICK. Okay, let me switch to another subject and take
6 you back in time to November 1986, and specifically to a meeting
7 about which you were questioned at your previous deposition that
8 took place on November 10, 1986, at the White House. Do you
9 recall generally that meeting? You know the one I'm referring to,
10 Doctor Keel.
11

12 AMBASSADOR KEEL. Yes, I do, and I have what my notes...I did
13 not have a copy of those notes, of course, but you provided them
14 to me, and I have read those this morning.
15

16 MR. BELNICK. So the record is clear, when Doctor Keel was
17 examined back in March, neither the examiners nor Doctor Keel at
18 that time had copies of the notes which Doctor Keel made of that
19 November 10 meeting, so the examination and the answers about that
20 meeting were conducted on the basis of Doctor Keel's recollection,
21 and he did not have the benefit of his notes and the examiners did
22 not have the benefit of the notes either; but both Doctor Keel and
23 I now do have the notes. I have sent you both the classified and
24
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1 unclassified version of the notes. Do you have the classified
2 version in front of you as well as the unclassified?

3
4 AMBASSADOR KEEL. Yes, I do, Mark, I've got both versions in
5 front of me.

6
7 MR. BELNICK. All right now, so we can be sure we are dealing
8 with the same document, you will see, Doctor Keel, if you look
9 towards the upper right on the page of both the unclassified and
10 the classified version of the notes is a stamped number that has
11 the preface, capital "N" like Nancy, and then it says "10378" on
12 the first page, and the pages then are consecutively until the
13 last page which is numbered, capital "N 10386." Do your copies
14 have those identification numbers on them?

15
16 AMBASSADOR KEEL. Yes, they do.

17
18 MR. BELNICK. All right, so we both have the same document in
19 front of us, I will ask the reporter to mark the classified
20 version of Doctor Keel's notes, "N 10378 through N 10386," as Keel
21 Exhibit 1. She is doing that right now, Doctor Keel. And she
22 will mark the unclassified version of the same notes, which bear
23 the same "N" numbers but have various portions that have been
24 blocked out by the declassification committee as Keel Exhibit 1a.

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1 So, Doctor Keel, number 1 is the classified version of your notes,
2 and 1a is the unclassified version, and as we go through this, you
3 can feel free to, and you should, refer to either or both of
4 those.

5
6 Now for the record, looking at Keel Exhibits 1 and 1a, are
7 those copies of notes that you took at the November 10, 1986,
8 meeting in the White House?

9
10 AMBASSADOR KEEL. Yes, they are.

11
12 MR. BELNICK. Generally, Doctor Keel, having reviewed those
13 notes and having reviewed also the transcript of your deposition
14 in March concerning that meeting, do you find any substantial
15 differences between what you recalled on March at your deposition
16 about the meeting, and what your contemporaneous notes record
17 concerning the meeting?

18
19 AMBASSADOR KEEL. Well, Mark, in fact I was frankly a little
20 surprised that my recollection of the meeting was as good as it
21 was. I don't find much to differ with now, having read them
22 carefully, with my previous testimony.

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1 MR. BELNICK. So, then having looked at the notes, it is
2 still your recollection that essence of the November 10 meeting
3 was a discussion of what kind of statement should be made to the
4 public about the initiative, within the constraints that there
5 seemed to be a need for a public statement at that time, but also
6 concern on the part of the President that any statement not
7 jeopardize the efforts to release the hostages. Is that a fair
8 summary?

9
10 AMBASSADOR KEEL. Well, with a small caveat. I think it's
11 reasonably precise on that point; I refer to it slightly different
12 in this context.

13
14 MR. BELNICK. Please, put it in your words.

15
16 AMBASSADOR KEEL. Okay, the meeting was in fact to decide
17 what we could say publicly because the President felt strongly,
18 and some of the other advisors, that he needed to make a public
19 statement. So it was what he could say publicly, and by
20 "publicly," of course, I mean to the public as opposed to a
21 classified briefing to appropriate members and bodies or
22 committees of Congress. So it was to decide what to state
23 publicly, what we could say, and a desire to in fact make a public
24 statement, but recognizing that certainly from, not only the
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1 President's view point, but from a number of his other advisors
2 view point, that we were still dealing with a covert action, and
3 as a consequence, there were some sensitive elements to it, and we
4 had to be duplicitous, if you will, in terms of exactly what could
5 be said without jeopardizing, what I would say, without
6 jeopardizing the initiative in the broadest context; the release
7 of the hostages, of course, and of course, not only jeopardize the
8 lives of the hostages but also the initiative in terms of the
9 Channel Two and the intermediaries involved in Channel Two, with
10 at least the hope, if not expectations that it might lead to some
11 advancement in the strategic relationship with Iran. So, that's
12 the slight difference I would make with your summary.

13
14 MR. BELNICK. Fair enough. Doctor Keel, prior to the
15 November 10 meeting, had Admiral Poindexter or anyone else, given
16 you a full briefing on the Iran initiative, and particularly a
17 briefing subsequent to the time that the Lebanese Press, on
18 November 2 or 3 had disclosed the arms sales?

19
20 AMBASSADOR KEEL. Well, I would have to say no in terms of
21 anything resembling a full briefing. I think, in fact the first
22 time that all of us got the benefit of anything that John knew and
23 could recall was in this November 10th meeting. There had been
24 bits and pieces of discussion, principally in reaction to what was

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1 being said and what was true and what wasn't in various press
2 stories. So I was starting, in my own process, to put together
3 some picture of what had or had not been done in this initiative
4 because obviously I was in a learning process myself.
5

6 MR. BELNICK. Sure. Let me in fact ask you this: when is
7 the first time you learned that we had in fact sold any arms to
8 Iran as part of an initiative?
9

10 AMBASSADOR KEEL. It was sometime in October in the context
11 of the October, either the late October or early November sale of
12 arms connected with the Jacobson release.
13

14 MR. BELNICK. October 1986, of course?
15

16 AMBASSADOR KEEL. Yes. The briefing and decision to sell
17 500 TOWs, I think is the right number to Iran. In that time
18 frame, I became aware that there had been, or obviously there was
19 an Iranian initiative and there had been previous sales, but it
20 was only at the March meetings where a decision was being made
21 whether or not to go ahead with this 500 TOW sale, and there was
22 never an occasion where I was let in on, if you will, on the
23 initiative in terms of everything that had gone on in the history
24 of it and so forth and so on.
25
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1 MR. BELNICK. Yes, but you knew, in terms of that October
2 sale that that was a direct sale by the United States to Iran.
3 Correct?

4
5 AMBASSADOR KEEL. Well, I sure knew obviously that we were
6 agreeing to it, but my understanding of it, just to make sure that
7 we are not mis-communicating, my understanding of it, and I'm not
8 sure that this is accurate today, was that it went through Israel;
9 that they were US TOWs, but they somehow went through Israel.

10
11 MR. BELNICK. Do you recall that the problem in October 1986
12 was that we, the United States, couldn't directly deliver the TOWs
13 on time, given the requirement at that moment, and that therefore
14 the Israelis were going to ship the 500 TOWs and we replenished
15 those 500 TOWs within a matter of days to Israel. Does that
16 comport with your recollection?

17
18 AMBASSADOR KEEL. That the Israelis would provide the TOWs
19 and we would reimburse them?

20
21 MR. BELNICK. Right, because we couldn't get the TOWs there
22 on time from our own stocks.

23
24 AMBASSADOR KEEL. It's not clear to me now of exactly why
25 that sequence was used, but I do recall the sequence was the

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1 Israelis would release TOWs or sell TOWs to Iranians and then we
2 would replace those with the Israelis.

3
4 MR. BELNICK. All right, now in that connection, let me take
5 you to the second page of your notes, which is page N 10379, and
6 near the top of the page, if I read correctly, it says, "Ed,"
7 colon, now is that a reference to Attorney General Meese?

8
9 AMBASSADOR KEEL. Yes, it is.

10
11 MR. BELNICK. And do I read correctly that you recorded, next
12 to his name, "We didn't sell," parenthesis, "Israel sold," closed
13 paren. Then, "Was multi, hyphen-phased transaction." Have I read
14 that correctly?

15
16 AMBASSADOR KEEL. You have, yes.

17
18 MR. BELNICK. Having drawn your attention to it, what do you
19 recall, if anything, other than what you wrote there, that
20 Attorney General Meese was saying?

21
22 AMBASSADOR KEEL. Mark, I really don't recall what he did
23 say, because he was interrupting John's sort of narrative
24 recounting what had gone on before and how we got where we were in

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1 this Iranian initiative and what had been done, what had been
2 accomplished, etcetera. I don't recall him saying anything other
3 than what is there.
4

5 MR. BELNICK. Well, did Admiral Poindexter or anyone else say
6 to the Attorney General, "No, that's not right; we did sell. It
7 wasn't simply that Israel sold, but we, the United States sold
8 arms ourselves to Iran as part of this."
9

10 AMBASSADOR KEEL. No, no one did. In fact, even today I'm
11 not sure if that statement is inaccurate in the context of who
12 sold the weapons to Iran. Maybe it is.
13

14 MR. BELNICK. Let me ask you, are you not aware that there
15 were shipments during 1986 of weapons directly from the United
16 States to Iran, as opposed to Israel selling weapons and our
17 replenishing?
18

19 AMBASSADOR KEEL. I guess, I certainly wasn't aware of that,
20 and when Ed made that statement, it didn't strike me as incorrect,
21 but I have no recollection of, you know, of even questioning that
22 statement at the time personally, and no one else did.
23

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1 MR. BELNICK. Right, and Admiral Poindexter did not differ
2 with that statement?

3
4 AMBASSADOR KEEL. No, certainly not there in that meeting,
5 and again, the October shipment seemed to me to fit that pattern,
6 and I guess it does today, so I'm not sure if there was some...if
7 the previous shipments did not fit that pattern, then either
8 either Ed was mis-speaking, or perhaps didn't have the details of
9 those previous shipments.

10

11 MR. BELNICK. Even if we focus though on the October shipment
12 in terms of that pattern, I guess what I'm trying to understand is
13 where the Attorney General was heading, because again focusing on
14 the October 1986 shipment, it would have been, wouldn't it, a
15 distinction without a difference given that we were immediately
16 replenishing to Israel the weapons that Israel was selling to
17 Iran, so that regardless of that modality for getting the arms
18 there, it nevertheless clearly was a transfer of American arms
19 with US approval and US participation to the Iranians in order to
20 secure the release of American hostage Jacobson. Isn't that
21 right?

22

23 AMBASSADOR KEEL. Absolutely. I don't mean to imply at all,
24 we knew very clearly, at the October shipment for example, we

25

26

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1 authorized and approved in advance, and whether it was reported or
2 not, there were US weapons that were being sold to Iran.

3
4 MR. BELNICK. Right.

5
6 AMBASSADOR KEEL. So the Israelis were sort of a middle-man.
7 I don't mean to imply that anyone thought that wasn't the case. I
8 just assumed Ed, with that remark, might have thought there was
9 some legal difference between a first-man and second-hand transfer
10 of sales. Because from a policy standpoint, no one was under the
11 impression, nor were they contending that US arms weren't sold;
12 that the US didn't authorize them. In fact, that's what the
13 President came out and said in his speech.

14
15 MR. BELNICK. Okay, let me take you back to the first page,
16 if I may, and forgive my jumping around. I'm trying to move along
17 as fast as I can and not take up too much of your time. On the
18 first page of the exhibits, "N 10378," if you'll look about mid-
19 way down that page of notes, there appears to be a note of
20 Poindexter speaking made by you, and he says, "Initially used
21 Israeli channel; found warehouse in," blank; blank being a
22 [REDACTED] Then there is some more stuff blacked out of
23 the unclassified version. I refer you to that by way of asking
24 you if you recall that Admiral Poindexter was saying that the
25
26

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1 initiative had begun when we had..."we" meaning the United States
2 or Colonel North in particular had discovered an Israeli arms
3 warehouse in [REDACTED] that was being used to send arms
4 to Iran, and that that's how this thing got started. Do you
5 recall that?

6
7 AMBASSADOR KEEL. Yes, and of course, the notes are short,
8 but that, in essence, was what John was alluding to, as I recall,
9 and again with the help of my notes here, just what you have said
10 that we had somehow stumbled over a warehouse of arms that the
11 Israelis were involved in shipping and selling to Iran, and in the
12 course of that, that was sort of the germ of the idea generated, I
13 guess, by the fact that the Israelis were trying to achieve
14 something for their own purposes through sale of arms, and
15 presumably suggested we might be able to achieve some of our
16 purposes.

17
18 MR. BELNICK. Doctor Keel, before November 10 and before
19 Admiral Poindexter made the statement we're focusing on at the
20 November 10 meeting, had you ever heard this story of us stumbling
21 on an Israeli arms warehouse as the start of the Iran initiative?

22
23 AMBASSADOR KEEL. I can't tell you with precise time sequence
24 whether I had heard it before or not. I don't think so. I think

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1 this was the first time.

2
3 MR. BELNICK. Help me with your handwriting, which is better
4 than mine but not much. Right under this note we've been looking
5 at about the warehouse, in parenthesis, there is a reference that
6 looks to me like it says, "keep off near back." I just can't be
7 sure I'm reading it correctly. Can you read it for me. It's in
8 parenthesis right under the paragraph that begins, "Initially used
9 Israeli Channel."

10
11 AMBASSADOR KEEL. It says, in parens, "Keeps off their back."
12 T-h-e-i-r.

13
14 MR. BELNICK. All right, what do you recall that meant?
15 Something that Poindexter said. What was he saying?

16
17 AMBASSADOR KEEL. Well, again I'm opening my classified notes
18 here, so obviously what I'm going to be talking about is
19 classified based on the standard you are using.

20
21 MR. BELNICK. Yes, sir.

22
23 AMBASSADOR KEEL. My recollection of what he was saying is in
24 reference to that warehouse in the previous sentence, and he said

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1 that because they were selling arms that part of the objective was
2 [REDACTED] but they also had an interest in a more
3 moderate Iran, because at the same time it was obvious that at
4 least some in the Israeli government had an interest in keeping
5 the war going because that kept the Iranians off of them; kept the
6 Iranians hands full, if you will, and reduced the Iranian threat
7 to Israel.

8
9 MR. BELNICK. All right, let's move to the second page of the
10 notes again, N 10379. Admiral Poindexter is still talking at the
11 top of the page, and there is a reference that he said, "Sold
12 1,000 TOWs." Does that refresh your recollection that Admiral
13 Poindexter told the group that was assembled for this meeting that
14 the total number of TOWs that had been sold in the initiative was
15 one thousand?

16
17 AMBASSADOR KEEL. Yes, he did, and it was an error that we
18 discovered later, and I'm certainly convinced that it was
19 inadvertent. Certainly every impression I had, it was
20 inadvertent.

21
22 MR. BELNICK. How did he discover it?

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1 AMBASSADOR KEEL. Sometime prior to the speech, when Colonel
2 North tried to be a little better at accounting, from whatever
3 records he did have, of exactly the number of transactions. In so
4 doing, came up with the result that there were two thousand TOWs
5 involved and not one thousand, which I learned about a morning
6 subsequent to this November 10th, but prior to the speech which, I
7 guess was that Thursday. Obviously, the Admiral was upset because
8 we had briefed the President and his advisors, and I was a little
9 bit upset because, as I told Ollie, "That's just sloppy. You
10 can't have figures that are off by a factor of two. What would
11 happen if we made a public statement," and also we had briefed, I
12 believe, before we had found it out, we had briefed---at least
13 John had briefed some members of Congress with the number one
14 thousand. So it was, needless to say, embarrassing to us
15 internally as well as a little, I won't say chagrined, but our
16 records were either totally inadequate or we were getting sloppy
17 staff work. But as soon as we found it out, I assume at the nine-
18 thirty staff meeting, John went in and told the President that we
19 had made an error and there were actually two thousand TOWs
20 involved.

21
22 MR. BELNICK. Now do you recall, as your notes also record
23 that Admiral Poindexter read from the January 1986 Covert Action
24 Finding, that the President had signed, which Secretary Shultz for

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1 one, indicated that he had not been apprised of before. Do you
2 generally recall that?

3
4 AMBASSADOR KEEL. Yes, and again I'm not a hundred per cent
5 confident, but I believe John began his recollection by reading
6 the Findings.

7
8 MR. BELNICK. Okay. Now did...

9
10 AMBASSADOR KEEL. But I do know, in fact my notes verify it,
11 but that John indicated that not everyone had seen the finding.

12
13 MR. BELNICK. Yes, that is recorded in your notes on the very
14 first page as a matter of fact, on page N 10378, you made the note
15 "read finding," parenthesis, "not all of you has seen," closed
16 parenthesis. Now, am I correct that at no time during the meeting
17 did Admiral Poindexter refer to the fact that there had been other
18 findings signed by the President in connection with this
19 initiative?

20
21 AMBASSADOR KEEL. No, I don't believe he did, certainly my
22 notes don't reflect any reference to any other findings and I
23 don't believe he did mention any other finding.

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1 MR. BELNICK. Did you ever learn, Doctor Keel, at any time
2 from when you started with the NSC until you left in January that
3 there had been another finding signed by the President in early
4 December 1985, in connection with the Iran initiative?

5
6 AMBASSADOR KEEL. Well, I have followed some of the Hearings
7 even from three thousand miles away.

8
9 MR. BELNICK. I'm glad you were keeping our ratings up.

10
11 AMBASSADOR KEEL. December 1985 finding, I was aware, at some
12 point there I was, but CIA had wanted to put together a finding
13 but my impression certainly was that it just never came about and
14 nothing was signed, so that was a surprise to me and new to me,
15 that there had been a finding signed in December.

16
17 MR. BELNICK. Admiral Poindexter had never told you that that
18 finding was signed. Right?

19
20 AMBASSADOR KEEL. He did not.

21
22 MR. BELNICK. And certainly therefore, he did not tell you
23 that in November prior to leaving office, he had ripped up that
24 finding?

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1 AMBASSADOR KEEL. I'm sorry, Mark, we broke up and I didn't
2 get your question.

3

4 MR. BELNICK. I said that certainly then he never told you
5 that prior to leaving office in November 1986, he, Admiral
6 Poindexter, had ripped up that signed, December 1985 finding?

7

8 AMBASSADOR KEEL. He did not.

9

10 MR. BELNICK. Okay, let me just look at these notes a moment.
11 If you'll turn again in the notes to the fourth page, N 10381,
12 near the bottom of the page it says...your notes quote Shultz as
13 asking, if I'm reading correctly, "How did last 500 come about?
14 Who arranged?" Then Poindexter appears to respond "Casey's guy;
15 my guy, in October." Assuming I have read those notes correctly,
16 do you recall any more of what Poindexter answered in response to
17 the Secretary's question?

18

19 AMBASSADOR KEEL. You have read the notes correctly and I
20 think that was the essence of it. It was a fairly pointed
21 question in part with the Secretary pointing out that the last 500
22 was certainly new to him, and how did this all happen, and why
23 didn't he know about it.

24

25

26

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1 MR. BELNICK. Right.

2
3 AMBASSADOR KEEL. So with John fairly matter-of-factly saying
4 that it was one of the CIA people and of course, probably with the
5 NSC people "my guy," as he put it, being Colonel North, who in
6 essence negotiated that in October.

7
8 MR. BELNICK. Okay, now continuing on that same page, you
9 then record "Cap," a reference to Secretary Weinberger, as saying
10 "I thought we agreed no more after first 500 unless get all
11 captives." Did I read that correctly?

12
13 AMBASSADOR KEEL. "Unless got"

14
15 MR. BELNICK. Oh, "unless got". Okay.

16
17 AMBASSADOR KEEL. Yes, you read it correctly.

18
19 MR. BELNICK. Okay, and then, if I read the following one
20 correctly, Poindexter replies, "just, always came back Pres, he
21 always agreed to go ahead." Now if I read that correctly,
22 Poindexter was saying that the decision always came back to the
23 President as to whether to keep going, even though the hostages

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1 had not been freed and the President always agreed to keep going.

2 Am I correct in that?

3

4 AMBASSADOR KEEL. Well, I think again, it's interpreting here
5 more than recalling exactly what happened, but what Cap was
6 basically saying is that, "Look I thought we agreed on the 500 and
7 that was sort of a one time deal unless there was an arrangement
8 worked out where all of the other hostages were released as a
9 package, and when did we deviate from that policy? I don't recall
10 him going into that much detail, so I'm doing a little bit of
11 interpreting here.

12

13 MR. BELNICK. I understand.

14

15 AMBASSADOR KEEL. But then John, in sort of abbreviated
16 fashion saying, "Well, that's right, but we always came back to
17 the President anytime we made a decision to move ahead, and accept
18 release of some number less than the full compliment of hostages,
19 and the President always made the decision of whether or not to
20 move ahead."

21

22 MR. BELNICK. When Admiral Poindexter made a statement to
23 that effect, did the President say anything at the November 10
24 meeting? Nothing is recorded in your notes.

25

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1 AMBASSADOR KEEL. Yes, that's correct, nothing is recorded,
2 but I don't believe the President did interject any remark at that
3 point.

4
5 MR. BELNICK. He did not?

6
7 AMBASSADOR KEEL. I'm sure if he had, I would have recorded,
8 and I certainly don't have recollection of him making any at that
9 point.

10
11 MR. BELNICK. Based on your knowledge of the President in
12 these situations, if he disagreed with what Admiral Poindexter
13 just said about his decision making and state of knowledge, he
14 would have spoken up?

15
16 AMBASSADOR KEEL. Well, that's in part calling for a
17 conclusion from me, of course, and I can't put myself in the
18 President's mind.

19
20 MR. BELNICK. Well, let me put it this way, the President did
21 not say, "That's wrong," when Poindexter spoke?

22
23 AMBASSADOR KEEL. He did not.

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1 MR. BELNICK. Okay, now if you would turn to the next page,
2 which is the 5th page of the notes, N 10382, there is a dialogue
3 and if I can just summarize with you, looking at the notes and
4 you'll tell me if I go off the track. The Attorney General is
5 discussing, if not urging a distinction with respect to who was
6 holding the hostages, and that since it was not Iran that was
7 holding them, we therefore, were not paying ransom to the
8 terrorist by selling arms to Iran, and the President, about the
9 middle of the page in your notes seems to say, "We were getting
10 influence of Iran, not ransom." Have I read that correctly?

11
12 (Static and noise on telephone line.)

13
14 MR. BELNICK. Doctor Keel?

15
16 AMBASSADOR KEEL. Yes.

17
18 MR. BELNICK. Did I read the President's comment correctly as
19 you recorded it?

20
21 AMBASSADOR KEEL. The President saying we were getting
22 influence of Iran?

23
24 MR. BELNICK. Right, "not ransom." Is that what that says?

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1 AMBASSADOR KEEL. It says, "not ransom," meaning not paying
2 ransom for hostages, both with respect to Attorney General Meese's
3 remarks as well as with respect to the President's remarks.

4
5 MR. BELNICK. Right. And then do you recall from looking at
6 your notes, do you recall that Secretary Shultz in that part of
7 the dialogue was disagreeing and saying that, ^{and}~~as~~ I'm now
8 summarizing from your notes, that we have to be careful what we
9 say; that he's not sure what the difference is between giving the
10 arms to Iran or directly giving them to those that were holding
11 the captives. He reminds about what he calls, according to your
12 notes, "Bud's elaborate scheme," that the airplane would go if the
13 hostages were released, and so forth. In sum, Secretary Shultz
14 was taking the position that it would be wrong or dangerous to
15 issue statements that definitively said there was no trading of
16 arms for hostages given that the record itself would not appear to
17 support that assertion. Do you recall that basically was his
18 position?

19
20 AMBASSADOR KEEL. Well, he didn't quite say it that way, but
21 he sure was offering a very strong point. The Attorney General,
22 as you indicated, had pointed out the difference between trading
23 directly with those who held the hostages captive, and Iran, who
24 had influence, and the President very deeply believed in that

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1 difference, and in fact, believed that he would be able to explain
2 that difference. Secretary Shultz has indicated there, in
3 essence was, "I'm not quite sure you can explain that difference,
4 and I'm not sure I know what the difference is," and "we've got to
5 be careful in saying something that might be technically correct,
6 but might not be exactly representative of what was taking
7 place."
8

9 MR. BELNICK. Right, and if you just look up near the top of
10 the page on page 5, because I'll need your help in reading a note
11 here. In the first comments by Secretary Shultz that are recorded
12 on that page, under....Perhaps you could help me read through that
13 note. It says, "Shultz: careful how we say."
14

15 AMBASSADOR KEEL. I'm sorry, which page are you on?
16

17 MR. BELNICK. I'm on page 5, "N 10382" to save time, what I'd
18 like to ask you to do is to read to me your note near the top of
19 the page, the first time Shultz speaks, what he said, where it
20 begins, "careful."
21

22 AMBASSADOR KEEL. Okay, Shultz says, again reading my notes,
23 "careful how we say," first line. Second line, "remember Bud's
24 elaborate scheme: airplane to go here, if this, then," and my
25
26

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1 notes cut off here, they were cut off by the Xerox, but I assume
2 it says, "then got." Then in paren, it says, "(from my view
3 snippets of information.)" end paren. Then "believe is ransom."
4 That is the sum of his remarks.

5
6 MR. BELNICK. And that was Shultz saying that he believed
7 what we did was paying ransom.

8
9 AMBASSADOR KEEL. Okay, it reads that at that point in the
10 discussion that he believed it was ransom.

11
12 MR. BELNICK. Now let me ask you, when he referred to "Bud's
13 elaborate scheme," did you understand which shipment he was
14 talking about?

15
16 AMBASSADOR KEEL. At some point I started to assume that it
17 was connected with Bud's trip, but I'm not quite sure frankly
18 whether it was connected or not from that trip, and I don't know
19 what the scheme was.

20
21 MR. BELNICK. All right. At that time, Doctor Keel, November
22 10, as I understand from reading your prior testimony, you were
23 not aware that the United States had been involved in a shipment
24 of Hawk missiles to Iran in November 1985 by Israel. Correct?

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1 AMBASSADOR KEEL. That is correct. I didn't become aware of
2 even the shipment, much less the controversy until days later,
3 roughly around the time of the press conference.

4
5 MR. BELNICK. Right. And if you go back, and again forgive
6 me for jumping, but if you'll go back to page 2 of your notes, "N
7 10379," where you are continuing to record Admiral Poindexter's
8 opening briefing at the meeting, right after he informs all of you
9 that a total of one thousand TOWs had been sold, which we
10 discussed earlier, he then says that there had also been sold to
11 Iran "290 types of Hawk parts." Correct?

12
13 AMBASSADOR KEEL. It's 240.

14
15 MR. BELNICK. 240; I'm sorry, 240. And am I correct also
16 that Admiral Poindexter did not describe or discuss or say at this
17 meeting that in addition, at any time, Hawk missiles had gone to
18 Iran as part of the initiative?

19
20 AMBASSADOR KEEL. No, no, certainly not at this meeting.
21 Just so the notes don't put things in the context from the
22 standpoint of what I knew then, or even what I know today.

23
24 MR. BELNICK. Right.

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1 AMBASSADOR KEEL. I didn't know about the November shipment
2 then, and as I say, I learned about it later and learned about the
3 controversy over whether we knew before or after the fact. Even
4 so, my understanding of that today was that even once we were
5 trying to figure out that we knew about the November shipment, it
6 was never a matter of whether weapons went or got into Iran's
7 hands. My understanding was that the Hawk missile^s were sent over,
8 but then retrieved or sent back, and so it wasn't a matter of not
9 accounting for all the weapons that ended up in Iran's hands.

10
11 MR. BELNICK. But even that much, namely that missiles went
12 over there and then came back....

13
14 AMBASSADOR KEEL. Was not discussed at this meeting. That's
15 correct.

16
17 MR. BELNICK. And did you ever find out, by the way, from
18 Admiral Poindexter or from anyone before you left the NSC, why the
19 missiles came back from Iran, the Hawk missiles.

20
21 AMBASSADOR KEEL. I guess I heard sort of two different
22 versions. The first, my first belief based on principally what
23 Colonel North had told me, was that we had found out that the
24 Israelis had shipped them and were upset and insisted they come

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1 back. Now, later on, I learned a slightly different story that
2 the Iranians weren't happy with them because they were the wrong
3 kinds of missiles and that was in large part how we were able to
4 get them back.

5

6 MR. BELNICK. Who did you learn that second version from,
7 namely, the version that said the Iranians were unhappy?

8

9 AMBASSADOR KEEL. I don't know exactly. I assume frankly, it
10 probably came from Ollie also. That description started to be
11 used in the various meetings of starting to put together a
12 chronology.

13

14 MR. BELNICK. Did you ask how it was that he had these two
15 completely different versions of that same story?

16

17 AMBASSADOR KEEL. No, I frankly was on the periphery of
18 putting together a chronology and going in and out of meetings
19 learning pieces, so it obviously strikes me today that that was
20 two different characterizations of what happened, but frankly, it
21 didn't appear to me to be that significant in the whole context of
22 things, not enough for me to stop him and say, "What the heck is
23 going on," because there was a lot of discrepancies that we were
24 trying to sort out and tie down, and try to get all the people who

25

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1 had any knowledge of all the events together and laid down in one
2 place, one accurate account. So I attribute it more to our search
3 for an accurate account than to being particularly alarmed that
4 this piece looked like it was different descriptions.
5

6 MR. BELNICK. Okay, just a few more questions. Could you
7 turn forward in your notes to page "N 10383," which has a "5" at
8 the top of it. I think your numbered 2 page is 5, so look for N
9 10383.
10

11 AMBASSADOR KEEL. Okay.
12

13 MR. BELNICK. Now again the discussion at this point in the
14 meeting is focusing on what kind of statement ought to be issued
15 and the President makes some remarks in the middle of the page,
16 which I'm having some trouble reading. So, with your permission,
17 let me ask you please to read into the record what you record the
18 President saying at that point in the meeting on page N 10383.
19

20 AMBASSADOR KEEL. I'm sorry, you broke up. I did not get the
21 question.
22

23 MR. BELNICK. Let me ask again. We're at page N 10383, and
24 you record the President making some remarks. Would you please
25
26

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1 read into the record, because I'm having trouble reading the
2 handwriting, what you record the President saying at page N 10383
3 of your notes.

4
5 AMBASSADOR KEEL. Okay, the first note, the first tic, if you
6 will, and I'll read it tic by tic, "speculation, slash, rumors has
7 endangered what we're doing." Second tic, "endangered our
8 contacts." The third tic, "there is evidence," and then there are
9 four sub tics: "Rud was not in Iran in September." Second sub-
10 tic, "Not tried to deal with terrorists," and my notes trail off,
11 but the next word is "ransom," presumably he said "not tried to
12 deal with terrorists or ransom of the hostages." The third tic,
13 "purpose of government is to go to," and then again, I'm sorry,
14 the Xerox has cut off that word.

15
16 MR. BELNICK. Mine too. It's cut off on mine also.

17
18 AMBASSADOR KEEL. Okay, and...

19
20 MR. BELNICK. "Or her support." Is that that the next line
21 seems to say?

22
23 AMBASSADOR KEEL. It seems to say "or her support," but it
24 doesn't make a lot of sense. I think the essence of that though,

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1 and again part of it seems to be missing here, but I think the
2 essence of it was that the government does have an obligation to
3 protect citizens and offer their support, government support.
4

5 MR. BELNICK. Okay, keep going please.
6

7 AMBASSADOR KEEL. Yes, then the next one, the fourth major
8 tic, "can't do a Q and A," and then in parens, "(because of the
9 danger)" end paren. Then the fifth and final tic is, "are obeying
10 law."
11

12 MR. BELNICK. Okay, now turn to the next page, please N
13 10384.
14

15 AMBASSADOR KEEL. Yes.
16

17 MR. BELNICK. And again the group is still discussing the
18 kind of statement, and there is something in the middle of the
19 page that you record that Admiral Poindexter said, and if I read
20 it correctly, it seems to have him saying "if we go with this, end
21 of our relationship." Did I read that correctly?
22

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1 AMBASSADOR KEEL. Yes, that is what that note says.

2
3 MR. BELNICK. And do you recall that Admiral Poindexter was
4 taking the position at this meeting that really any statement was
5 dangerous and that his preference would be to say nothing?

6
7 AMBASSADOR KEEL. No, I actually don't recall John taking
8 that strident a position. I think what he was concerned with at
9 this point in the whole conversation is that, we had started off
10 the meeting and the President had started off the meeting by
11 saying, "I want to make a public statement," and so the whole
12 course of the meeting was, apparently John saying or recalling all
13 of what had happened, and then deciding what we could say publicly
14 without, again endangering the hostages or the initiative. At
15 this point in the discussion, I think John was sort of reacting in
16 frustration that we were building towards a decision that had us
17 say too much and he was basically sort of, in frustration saying
18 "Look, if we go this far, that's going to be the end of this
19 relationship with this Channel Two that we've developed." So, I
20 don't think John was saying, nor do I recall him saying, "I'm
21 against any public statement." He was basically reacting at this
22 point to his sense that we were building towards a decision that
23 we were going to say too much in public, and hence do what we
24 didn't want to do, jeopardize the initiative.

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1 MR. BELNICK. Okay, and then at that point in the meeting,
2 again on the same page, N 10384, you record the President as
3 saying, if I read it correctly, "We don't talk TOWs; don't talk
4 specifics." Did I read that right?

5
6 AMBASSADOR KEEL. That's correct.

7
8 MR. BELNICK. And then what's the next line, please?

9
10 AMBASSADOR KEEL. The next tic says, "because of nature,"
11 comma, "no Q and A's."

12
13 MR. BELNICK. Okay, now could you read, and we're nearing the
14 end of this, Doctor Keel, could you read for me at the bottom of
15 the page, N 10384, what you record the President saying at that
16 point?

17
18 AMBASSADOR KEEL. Yes, the President says, "Basic statement
19 has to come out." Then a sub-tic, "not paying ransom," in parens
20 "We're not negotiating." In parens again, "Not dealing with
21 kidnappers," slash, "terrorists." The second sub-tic,
22 "International policy," and then in parens "(avoid specifics,"
23 comma, "declare consistent with our policy," and "can't engage in
24
25
26

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1 speculation," and in parens "(threatens these lives" comma, "lives
2 of hostages)" end paren.

3

4 MR. BELNICK. I see. Turn please, to the next page, which is
5 N 10385, and could you read to me what you record at the top of
6 the page from Admiral Poindexter?

7

8 AMBASSADOR KEEL. "More about what not doing," comma, "not
9 what we are doing." John's point there, that we need to get a
10 statement out and we need to have our story, here's what I think
11 has to be said, and here's what I believe.

12

13 MR. BELNICK. Okay, and....

14

15 AMBASSADOR KEEL. And John was basically reacting to that,
16 and the essence of this is agreeing and saying that what we really
17 need to do was make sure we say more about what we're not doing
18 and to what is out there that is erroneous and speculation, than
19 what we are doing in terms of specifics.

20

21 MR. BELNICK. Okay, please then look at the last line on that
22 same page, N 10385. There is a question that you record Secretary
23 Shultz as having asked, and the question as I read it is, "Do we
24 trade any more arms for hostages." Have I read that correctly?

25

26

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1 AMBASSADOR KEEL. You have read it correctly.

2
3 MR. BELNICK. Now your notes do not record whether there was
4 any answer to that question. Do you recall whether anybody
5 commented or responded to Secretary Shultz's question of whether
6 we're going to trade any more arms for hostages?

7
8 AMBASSADOR KEEL. I don't think there was an answer. I think
9 Secretary Shultz was...of course, by this point the decision had
10 been made in terms of yes, we're going to make a public statement
11 and here's what we can say in the context of protecting the
12 initiative, but I believe this question on the part of Secretary
13 Shultz was somewhat rhetorical, near the close of the meeting when
14 everybody was about to get up, implying that there is a
15 fundamental policy issue we've got to wrestle with, and namely, do
16 we trade any more arms for hostages. But my sense is that he put
17 it in that rhetorical context, not necessarily expecting any
18 answer, and certainly not expecting a decision from the President
19 in that meeting because that was not the purpose of the meeting
20 and it would be unusual for a policy issue to have been raised
21 without everyone coming in recognizing that was the purpose of the
22 meeting. So, I don't think there was an answer and I don't recall
23 anyone responding, except perhaps acknowledging that we've got to
24 make that policy decision.

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1 MR. BELNICK. And lastly, the final page of your notes, "N
2 10386," and this ought to be our last questions. Could you just
3 read, it's a short page, all of those comments on N 10386, for us
4 into the record?

5
6 AMBASSADOR KEEL. The first note, attributed to the President
7 here is "appreciate people saying you support policy." That's the
8 first tic under comments attributed to the President. The second
9 "tic says, "will not comment on." Meese then responds, "agree."
10 Shultz then responds, "I support you, Mr. President, but in this
11 case concerned about policy. The President responds, "always
12 viewed as giving muscle to those in Iran so can help us." Then
13 John Poindexter, again a note attributed to him says, in
14 quotations, "aware of project," comma, "were consulted," and
15 then Meese, and the final note, indicates, "put in statement."
16

17 MR. BELNICK. Do you remember what Poindexter meant when he
18 said, "aware of project," were consulted"?

19
20 AMBASSADOR KEEL. Yes, I have a pretty good recollection of
21 all of these sort of cryptic notes. This was just at the end of
22 the meeting. I think people were standing up, and as you see,
23 they are sort of half sentence fragments. It's hard to take notes
24 and stand up at the same time, but my recollection is that
25
26

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1 essentially at the end of all this was that the President was
2 saying, having made the decision we're going to make a statement
3 and here's the basis of it. He was saying that he would
4 appreciate, obviously, all the members of his Administration
5 supporting the policy, and indicating they were not going to
6 comment or speculate on a lot of the reports, other than what they
7 were going to make as a public statement, and that they couldn't
8 indicate or speculate on those in public, and would not comment
9 any further, than obviously what we were agreeing to state, or had
10 agreed we could state without jeopardizing the initiative and the
11 hostages and so forth. Meese then responds, "I certainly agree,
12 Mr. President." And Shultz then, he indicated that he certainly
13 supported the President, but in this case was concerned about the
14 policy.

15
16 MR. BELNICK. And what was Poindexter talking about when he
17 said, "aware of project," were consulted?

18
19 AMBASSADOR KEEL. Okay, I was just going to get to that. Let
20 me put it all in context. It'll just take me thirty seconds.

21
22 MR. BELNICK. That's all right.

23
24 AMBASSADOR KEEL. The President responds to Shultz, I guess
25 by way of explanation, trying one more time to explain to him his

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1 view, and the President had a deep conviction that he was not
2 dealing with terrorists and not paying ransom, and how he viewed
3 this was simply giving muscle to those in Iran who could influence
4 the terrorists. It was just an offer again, one more time of his
5 perspective on things. John then offered that then in the context
6 of what people would say or wouldn't, that he certainly hoped
7 people would say that they were aware of the project, meaning that
8 they were aware of the numbers of meetings that had taken place,
9 and there was, to date at least, at the onset of certain phases
10 of the initiative and that they were consulted at least at the onset
11 set of the meeting. The initiative again, certain phases. And
12 Meese went a little bit further, picking up on John's remarks, and
13 said, "why don't we put that into the public statement."

14
15 MR. BELNICK. And that's where your note taking stopped and
16 presumably the meeting finally ended.

17
18 AMBASSADOR KEEL. That's exactly right. That was the end of
19 the meeting. As I said, in fact, we were in the process of all
20 standing up when these last half-dozen or so notes were recorded.

21
22 MR. BELNICK. Mr. Ambassador, I have no further questions,
23 and I want to on the record thank you very much for your
24 cooperation and helpfulness in submitting to two examinations and
25 taking us through your notes and responding to our questions. I

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1 know you have a busy schedule and again, I want to thank you for
2 taking the time to help us with these questions.

3

4 AMBASSADOR KEEL. Certainly, Mark, and I appreciate those
5 comments very much.

6

7 MR. BELNICK. And I wish you continued luck and good success
8 on your new mission.

9

10 AMBASSADOR KEEL. Thank you very much. It's certainly an
11 important assignment for us and I'm very enthusiastic about it.

12

13 MR. BELNICK. Thank you very much, and good by.

14

15 AMBASSADOR KEEL. Okay, bye-bye, now.

16

17 (The deposition terminated at 1216 hours, 3 September 1987.)

18

19

20

21

22

23

24

25

26

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AUTHENTICATION

I, ALTON G. KEEL, do hereby solemnly swear that I have read the attached deposition, consisting of 69 typewritten pages, and it is true and complete to the best of my knowledge and belief.

ALTON G. KEEL

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EXHIBITS ATTACHED

Keel Exhibit 1, (TS) Handwritten notes (uncensored), taken by
Ambassador Keel, 10 November 1986 .

Keel Exhibit 1a, (UNCLAS) Handwritten notes (censored), taken by
Ambassador Keel, 10 November 1986.

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CERTIFICATE

I, Kathryn J. Whitty, do solemnly swear the deposition of Ambassador Alton G. Keel, was given under the following conditions:

1. The deponent, Ambassador Alton G. Keel, was duly sworn by me prior to the commencement of any testimony given.
2. The transcript is a true record of the testimony given by the witness.
3. The testimony was recorded by me, by use of the closed microphone and thereafter transcribed by me into the typed 69 pages.
4. The deposition was given via closed circuit telephone, with Ambassador Alton G. Keel in his office at NATO Headquarters, Brussels, Belgium. Mr. Belnick, Mr. Almsted and the reporter were on telephone extensions located in room 910, the Hart Senate Building, District of Columbia.
5. I am not disqualified under Section 1.674.

Kathryn J. Whitty
Kathryn J. Whitty

Subscribed and sworn to before me by Kathryn J. Whitty, this 10th day of September 1987.

Alvin M. Arnold
Notary Public, District of Columbia
My Commission Expires July 11, 1991

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11 30 - 1 00 p - meeting

11/1/86 85

Cap, Shultz, Ryan, Faso, VP, Pandolfini, Keel, (any)
 Pres: -- need start (all of us) N 10578

- ① no bargaining w/ terrorists
 (no ransom for terrorists)
- ② Also, international Foreign Interest
 (hope for resolved govt)
 -- what happen of the hostages
 (we can't talk about)

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IMP: - main consideration has the strategic
 relationship

Jan 17, 1986

- ① support moderate
 - ② stop terrorism
 - ③ release hostages
- Real force, (not all of you have seen)
- Initially ~~had~~ used Foreigner chain
 -- found weakness in [redacted]
 Cossy.

Partially Declassified/Released on 26 Jan 88
 under provisions of E.O. 12356
 by K. Johnson, National Security Council

also, said and resident Iran
 also said and to keep war go-
 (keep off New York)

5383

- May 1986 (had) keep its Tehran
 Iran: -- Channel's initially [redacted]
 -- saw Rafsanjani
 -- "could reason problem" AK-4
 11/2/87
 xlt

Hostage: - Tehran
 [redacted]

- Kuwait

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(7)

TOP SECRET

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- o bud went May 1986 (only trip) N 1037:
- ~~xxxx~~ sold 1000 Tows
- sold 290 types of Hawk gun
- ① 1st 500 TOW's sent w/o permission to
- we found out, eventually re-returned Israel

Ed: - We didn't sell (Israel sold)
 - was multi-phase transaction

IMP: - Important to note:
 -- defensive arms
 -- small amount
 -- my opinion, now a slow / good

Results:

- after Ussuri, Tanks, Andover, Southern
- has some hostages for
- solid contact w/ Rafiq
- convinced of David that
- (Council can't win War)
- accept resolution
- employed anti terrorism
- after three hostages sold

Situ today:

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- three factions
- Rafiq's leads middle of road group

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(3)

N 10380

-- covered interested in early work



-- Third group is technical: [redacted]



primary contact w/ [redacted]
 contact w/ group that took
 these notes from [redacted]

-- Refractory arrested: covered w/ [redacted]
 union

-- [redacted] published pamphlet
 resulted in pro-Syrian magazine

-- Refractory forced to speak out:
 -- purposely had inaccuracies

-- Ref: plans to not [redacted]
 -- wants strategic relationship

-- 200 ~~strategic~~ alerts

(Old just [redacted]; [redacted] see what
 w/ Corey guy; says might get to
 more [redacted] they well-end)

Imp: Relationships

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Planning: CPPG - long term strategy
 (want to get agencies involved)
 Long: contacted number managers
 -- all over, except Kyoto

CAP: - called them today
 - not helpful: - SCS part maybe
 : this is

~~CAP:~~

Shelly: - how did ~~see~~ last 500 come
 - who arranged?

JMP: - Corey's guy, my guy in O-2

CAP: I thought it: agreed to more
 from 500, unless get all copy

JMP: just, always can talk Pres, he
 agreed to go ahead.

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N 10382

These: -- who's holding?

IMP/Kasey: -- unknown

These: important not Iran, no not deal
w/ Iran, looking for leverage

Smully: -- careful ^{now we} ~~not to~~ say
- ~~name~~ remember Bud's elaborate
scheme: higher to go now, if the, the
(for my few "suspects" of w/pt)
- release in several

These: but now is Donally / Zaborov
-- obviously relation of and not trade

Per: -- not more ^{getting} influence of Iran,
not someone

Smully: -- not sure what's diff
-- are good part of story; e.g., w/ advice
- still not w/ Iran
-- cost a higher than what IMP said
-- have to be careful how say; concern
we say something that's technically correct
but not exactly representative of what
we've done

CMP: -- Concern re how much we trust Refren,
- how much we put our hands for others
having gotten Refren for w/ us.

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(5)

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N 10383

Carey: - Need start re our objectives
 - has been strategic only to improve
 progress for moderate govt
 - Proposed statement:

CAP: ① Anticipate questions
 ② Lay. reasoning

Peri: - spec / rumors re endangered
 what we're doing
 - endangered our interests
 - on evidence, - but we're not in Iran -
 - not time to deal w/ them
 remove
 - purpose of govt - to get
 on her support
 - can't do Q&A (because of delay)
 - ~~start~~ we stop, leave

Shelly: - agree re purpose of govt to protect
 citizens; but whole purpose is
 to protect by discouraging
 terrorism

① Concern that justaparkia does
 appear gone w/ press for hostages
 concern regard agreement &
 no strategic sign re arms,

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help and feel that Tractor nuclear
is so they could sell what they can
(more info)

③ [redacted] they said particularly
that there was strategic price

Good statement, but must be careful.

CAF: ① emphasize that relationship is
important (people at work)

• JMS: ① if we go w/ this, end of our relationship
person don't talk TAW's, don't talk

specific
- know of nature, no Q&A's —

Rego: ① will need to say something
to thinking people (not press)

Rego: ① Basic should be to come out

-- not paying someone

(not negotiating)

(not dealing w/ Didinger/Kern)

-- with about policy

(avoid specifics, discuss

consider w/ our policy

with everyone speculation

(not nuclear power balance)

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N 10385

Shir: now about what ~~do~~ not doing
 -- what ~~is~~ we are doing. 1^

CR: - been in mind, not get
 regulation for this

Mem: - get away from idea people were
 opposed; discuss w/ U.S. govt

UP: ① What about Incel case

Pres: ① not for down any leadership;
 -- tell them we will take a
 chance
 : ② kind of people

Reg: ① who will issue
 Q&A's

Mem/Pres/Cas: ① no Q&A's

Shirley: - what about anti terrorist group
 (state of total demoralization)
 Pres: may no; no dickering w/ kids

Shirley: - do we have any more arms for
 Mustang

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REF ID: A6610386

Per: - appreciate people saying you support
~~policy~~ policy

- will not cancel a

Mease: agreed

Stett: I support you. Mr. Per has been
Per: - always viewed as giving muscle
 to the - the ~~no~~ no can help a

Smr: "arrow of project", more credible

Mease: - put in 50m. L

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TOP SECRET

NAME: NIA120020

PAGE 1

1 RPTS DINKEL

2 DCNN STEVENS

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4 DEPOSITION OF LEON B. KELLNER

7 Thursday, April 30, 1987

10 U.S. House of Representatives,

11 Select Committee to Investigate Covert

12 Arms Transactions with Iran,

13 Washington, D.C.

4235

15 The deposition convened at 2:25 p.m. in Room 2203, Rayburn
16 House Office Building.17 Present: Pamela J. Naughton, House Select Committee; Tina
18 Westby, House Select Committee; W. Thomas McGough, Jr.
19 Senate Select Committee; and Henry J. Flynn, Senate Select
20 Committee.

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under provisions of E.O. 12356
by N. Menan, National Security Council

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NAME: MIR120020

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21 MS. NAUGHTON: We are on the record.

22 I am Pamela Naughton, Staff Counsel to the House

23 Select Committee to Investigate Covert Arms Transactions

24 with Iran.

25 Will the people around the table please introduce

26 themselves.

27 MR. MCGOUGH: I am Tom McGough, Associate Special

28 Counsel to the Senate Select Committee.

29 MR. FLYNN: I am Hank Flynn, an investigator with

30 the Senate Select Committee.

31 MS. WESTBY: I am Tina Westby, Associate Staff

32 Member of the House Committee.

33 MR. KELLNER: Leon Kellner, United States Attorney

34 for the Southern District of Florida.

35 Whereupon,

36 LEON B. KELLNER

37 having been first duly sworn, was examined and

38 testified as follows:

39 MS. NAUGHTON: Before we begin, Mr. Kellner, I want

40 to give you a copy of the rules of the Select Committee

41 under which we will be proceeding.

42 THE WITNESS: Just--I was given--I have read Rule 7,

43 the deposition rule, before I came here. It was explained

44 to me.

45 MS. NAUGHTON: All right.

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EXAMINATION

46 .
47 BY MS. NAUGHTON:
48 . Q You are here without counsel today; is that
49 correct?
50 . A That is right.
51 . Q Could you give us a little background, Mr. Kellner,
52 on your professional career after law school?
53 . A I graduated Harvard Law School in June of 1971.
54 Thereafter, I began the practice of law with the New York
55 firm Chadbourne, Parke, Whiteside and Wolff.
56 . I was there for approximately from 1971, June 1971,
57 to approximately June 1973 at which point I joined another
58 law firm in New York entitled Anderson, Russell, Kill and
59 Olick, P.C.
60 . You want their office, where they are located?
61 . Q No. That is all right.
62 . A I was with that law firm from approximately April--I
63 think April of 1973 until July 1982 when I joined the United
64 States Attorney's Office for the Southern District of
65 Florida as Chief of its Civil Division. I was Chief of the
66 Civil Division from July 1982 to approximately January 1984
67 when I became Executive Assistant U.S. Attorney.
68 . August 16, 1985, I was--I became court-appointed
69 United States Attorney upon the elevation of the former U.S.
70 Attorney, Stanley Marcus, to the Federal Bench in the

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71 Southern District of Florida.

72 . In June 6, 1986, I was confirmed by the Senate as

73 the presidential-appointed U.S. Attorney. That is the

74 position I hold today.

75 . Q Do you know when you were nominated?

76 . A No. I am sorry. What do you mean by the term

77 nomination?

78 . Q You weren't confirmed until the hearings. I

79 wondered when your name went forward officially?

80 . A I do not know the answer to that. I do know in

81 February of 1985, when the then Senator of the State of

82 Florida, Senator Hawkins announced the recommendation of

83 Stanley Marcus to be U.S. attorney, within a day or two

84 thereafter, she announced she was recommending me to become

85 his replacement.

86 . Now, I don't recollect when the formal nomination

87 went in. I don't think it was too short before the

88 appointment, but I don't have the exact date. I don't have

89 the exact month. I don't even have the month.

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90 RPTS DINKEL

91 DCMN BAMMAN

92 2:35

93 Q Prior to that time had you done any criminal
94 litigation?

95 A No.

96 Q Can you give us an idea of how many cases the
97 Southern District handles a year, criminal cases?

98 A Yes.

99 Q I thought you would. You guys always have those
100 numbers.

101 A For the fiscal year ending September 30, 1986, we
102 indicted approximately 1,300 felony cases involving 2,500
103 felony defendants. For the year ending June 30, 1986,
104 according to the records of the Administrative Office of the
105 Court, we tried 328 felony jury trials involving
106 approximately 1,300--involving exactly 1,362 jury trial days.

107 This represents approximately 83 percent of the
108 entire jury trials handled in the Southern District of
109 Florida. It also in the largest number of jury trials in
110 the United States. It is tied to the day with the Southern
111 District of New York for the largest number of jury days.

112 Of the seven largest districts in the United
113 States, we have the largest number of felony indictments in
114 a year, and we have pending in excess of 31 defendants

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115 pending trial, which is more than the Southern District of
116 New York and the Northern District of Illinois combined.
117 . Approximately 50 percent of this caseload is
118 narcotics-related.
119 . Q How many assistants do you have in your office?
120 How many assistants are physically located there today?
121 . Do you know how many assistants are assigned to the
122 Southern District of Florida?
123 . A I have allocated slots of 103.
124 . Q How many are filled?
125 . A As of--
126 . Q Today.
127 . A 96.
128 . Q First of all, did you or your office participate in
129 a case against a defendant named Cutter, Paul Cutter?
130 . A I have no recollection. I have no knowledge. It
131 is not a question of recollection. I have no knowledge of
132 it.
133 . Q Getting down to what we will refer to as the contra
134 days, the case Mr. Feldman worked on--
135 . A He is working on.
136 . Q He is working on.
137 . --what is your first recollection of either hearing
138 about or reading about that case?
139 . A My first recollection of the case is in the middle

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140 of March 1986.

141 . Q What do you recall about that?

142 . A Two things: One, I recollect receiving a letter
143 from the Court transmitting a letter from Judge Atkins,
144 transmitting a letter to me that was sent to him by the wife
145 of the defendant. I knew--I now know who the defendant was.
146 I had no independent recollection at that point. We get a
147 lot of those letters.

148 . I sent it off to my executive assistant to deal
149 with it.

150 . March 14, I believe is the date, I received a call
151 from Mark Richard asking me about a case involving
152 allegations of an alleged plot to assassinate the ambassador
153 to Costa Rica and a variety of other allegations, including
154 blowing up embassies, etc.

155 . I went down the hall to my executive assistant to
156 find out about it, because I recollect--it refreshed my
157 recollection about the letter I had received. She happened
158 to be sitting there with Jeff Feldman. They briefly told me
159 what went on.

160 . Q What did they tell you, if you can recall?

161 . A They explained to me the allegations, what happened
162 with the case in general terms, the allegations of
163 entrapment, etc.

164 . Q Is this the Garcia case?

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165 . A Yes, it is.

166 . Q Was the letter from the wife, was that Mr. Garcia's

167 wife?

168 . A Yes. I believe so.

169 . Q Did Mark Richard say where he had gotten the

170 information that you had such an investigation?

171 . A I don't recollect. He did not talk to me about an

172 investigation. I recollect he talked to me about a letter

173 that he had seen, that he had been asked to check out. So

174 I'm not sure he was talking about a case as much as he was

175 talking about a letter--I believe it is the same letter I had

176 received a copy of from the Court.

177 . He said he had been asked to track it down.

178 . Q Did he say who asked him?

179 . A No.

180 . Q Did you get back to Mark Richard then?

181 . A Yes.

182 . Q What did you tell him?

183 . A I have no independent recollection what I told him,

184 but I would have told him whatever I was told by Jeff

185 Feldman.

186 . Q How had you left it with Jeff Feldman when he

187 briefed you on the investigation to date?

188 . A He told me he was still going forward. That was

189 it. I don't believe I said keep going forward.

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190 . Q Did you tell Mr. Richard that it was still going
191 forward?

192 . A I have no independent recollection of that. I have
193 no independent recollection that I would tell him it was
194 still going forward. There are certain events that happened
195 subsequent to that that leads me to believe that I did
196 discuss that, but there is no independent recollection.

197 . Q Did he say he would answer the letter or--

198 . A No. The letter--that was never discussed. The
199 letter was not addressed to us; the letter was addressed to
200 the Court. So there was no response. We never discussed
201 any response. It never occurred to me to respond. It
202 wasn't addressed to me.

203 . Q Was Mr. Richard's letter addressed to the Court?

204 . A I don't know. I never saw it.

205 . Q So you don't know if it was addressed to him
206 personally, the Attorney General?

207 . A No. No. The only letter I recollect seeing was
208 the letter addressed to the Court that was sent to me by the
209 Court.

210 . Q What is the next thing that happened, as you
211 recall?

212 . A The next thing that happened--one of the things that
213 I had reviewed that leads me to believe that I did discuss
214 it with Mark Richard is that there is a document filed in

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215 Court asking for a continuance, where Jeff Feldman put in
216 that it was at the Justice Department's request.

217 . That indicates to me that I did discuss it with
218 Mark Richard and that I did tell him that we were going to
219 delay the sentencing to continue the cooperation. I have no
220 independent recollection, but I presume we then told Jeff
221 Feldman--I spoke to Justice, they agreed we should delay the
222 sentencing in order to get the cooperation, and do that.

223 . Q Is it your recollection then that the idea for the
224 continuance was basically--basically emanated from your
225 office or was this Mark Richard's idea?

226 . A I do not recollect that. I do not recollect that.
227 As I said, I have no independent recollection of even
228 discussing it, except for the fact that that document
229 indicates that.

230 . I am fairly certain that Jeff would not call the
231 Justice Department on that, so it had to have come from me.
232 The only person I was speaking to was Mark Richard. In a
233 briefing with him, I would have said we were--normal process,
234 which is that we would delay the sentencing because it had
235 been going on. So we would continue the investigation.

236 . Q Did you discuss Mr. Garcia's cooperation
237 specifically with Mark Richard? In other words, did you go
238 into details of what he had told you?

239 . A No. I have no recollection--I have no recollection

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240 of it, but I would tend to doubt it. It was more of an
241 overview. I do not recollect a very lengthy conversation.
242 Q How was it left with Mark Richard? Were you to
243 stay in touch with him or send him any materials?
244 A No, not that I recollect. A lot of--not that I
245 recollect. There was no specific instruction.
246 Q What is the next thing that you recall happened?
247 A I do recollect discussing with Jeff what he was
248 going to do to track down the allegations primarily about
249 the assassination plot involving Jorge Achoa and the million
250 dollars and the bombing of the various embassies. I
251 remember discussing that. I remember saying, "Go talk to
252 Jack Terrell."
253 Q How did you know Jack Terrell?
254 A He told me.
255 Q You hadn't heard that name prior to the time?
256 A No.
257 Q When Mr. Feldman briefed you, did he mention the
258 name Robert Owen?
259 A Not that I recollect.
260 Q What about Aldo Romero?
261 A No.
262 Q Did Mr. Feldman discuss with you his conversation
263 with Mr. Mattas?
264 A No. The first time--you mean the conversation about

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265 | the alleged saying that the Department of Justice--
266 | . Q No. Just that Mattas' client wanted to cooperate
267 | and so forth?
268 | . A I didn't know who Mattas was. I knew the
269 | defendant. I never heard the name Mattas at all.
270 | . Q You didn't discuss the defense attorney?
271 | . A No. I have no independent recollection that he was
272 | a public defender.
273 | . Q Do you recall Mr. Feldman showing you any charts
274 | that he had prepared that tried to show the conspiracy?
275 | . A Not at that point in time.
276 | . Q When do you first recall seeing a chart?
277 | . A I first recall him discussing that on his return
278 | from Costa Rica. That was at a meeting with a number of
279 | people. But that is down the road.
280 | . Q So what happens between March 19 when the motion to
281 | continue sentencing is filed and the trip to Costa Rica?
282 | . A In terms of what? In terms of my involvement?
283 | . Q Yes.
284 | . A Nothing.
285 | . Q Well, how is it determined that Mr. Feldman is
286 | going to go to Costa Rica?
287 | . A I am sorry. You are talking about between the 19th
288 | and when he went to Costa Rica?
289 | . Q Yes.

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290 . A I am sorry. I thought between the time--I thought
291 your question was from the time that he--the 19th or so until
292 he went to New Orleans.

293 . What happened was after he returned from New
294 Orleans, he debriefed me.

295 . Q Okay. What did he tell you?

296 . A My recollection, he told me that Jack Terrell had
297 only hearsay information. People with the first-hand
298 knowledge of anything that we were investigating were in
299 Costa Rica, incarcerated, and he would have to go there to
300 check it out.

301 . Q What was your response?

302 . A Do it.

303 . Normally I don't get involved in travel because it
304 is signed by somebody else. Travel to a foreign country, I
305 have to sign.

306 . Q What, if any, arrangements did you make?

307 . A None.

308 . Q You just signed the authorization?

309 . A Yes.

310 . Q Did you talk to Ambassador Tams at all about the
311 trip?

312 . A No.

313 . Q Did you communicate with anyone at the State
314 Department?

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315 . A No.

316 . Q At this point, before he goes down to Costa Rica,

317 around March 27 or so, did you discuss whether or not the

318 focus of the case was a military activity as opposed to the

319 assassination plot? In other words, were you aware of any

320 kind of military supply route to the contras, guns were

321 going to the contras?

322 . A Yes. I was aware that was one of the allegations.

323 I recollect there was a series of allegations, in my focus.

324 The assassination plot, the bombing of the embassies, was my

325 focus. In my mind, that was the most serious.

326 . Q Did you tell him at that point not to pursue the

327 contra?

328 . A I told him nothing in terms of what to pursue. I

329 assumed he was going--I knew he was going down there and he

330 was to ask questions and conduct the investigation with the

331 FBI agents.

332 . Q His notes indicate that on March 28, 1986, you had

333 a six-hour meeting?

334 . A Yes.

335 . Q Do you recall that?

336 . A I recall coming back from New Orleans. I recall a

337 discussion, an extensive discussion with him about what he

338 found. I do not recollect the hours. It is not on my

339 calendar, which is not unusual because of the way I run that

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340 office. When I am interested in a case, I will frequently
341 ask my secretary to ask the assistant to come down.

342 . In this particular case he may have come to see me
343 without me asking. He knew I was interested because of the
344 sensitivity of it.

345 . Q Were you interested in it because Mark Richard
346 called about it, or were you interested in it because of the
347 subject matter?

348 . A The subject matter.

349 . Q The assassination?

350 . A The assassination and the bombing and the
351 involvement of Jorge Achoa.

352 . Q During this meeting on the 28th did you talk about
353 the specifics of the case, the details?

354 . A I am certain we did. I have no independent
355 recollection. The thing that sticks out in my mind is that
356 I was told originally Garcia was dead, that he did not have
357 independent knowledge, that he said Jack Terrell had
358 independent knowledge. That is why I said go speak to Jack
359 Terrell.

360 . He came back and said Jack Terrell doesn't have
361 independent knowledge, that the people with the independent
362 knowledge or first-hand knowledge were the people in Costa
363 Rica.

364 . Q Did you have any discussions with any supervisors

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365 at the FBI during the spring of 1986 regarding this case?
366 . A No.
367 . Q Did it ever come up at the meetings with the
368 Bureau?
369 . A No.
370 . Q How about any of the case agents on the case?
371 . A No.
372 . Q Did any other Federal agencies bring up this case
373 or did you discuss it with any others?
374 . A No.
375 . Q So while Mr. Feldman was in Costa Rica, did you
376 hear from him or speak to him?
377 . A I believe he called once. I don't recollect what
378 the conversation was. I believe he did call once.
379 . Q But you don't remember what was said?
380 . A No.
381 . Q What happened after he got back?
382 . A We had a meeting.
383 . Q By the way, while he was in Costa Rica did you
384 receive any telephone calls from anyone in Costa Rica?
385 . A I just said I did.
386 . Q Besides him.
387 . A No.
388 . Q No one called from the embassy or anything like
389 that?

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390 . A Not that I recollect.

391 . Q Did anybody call from Main Justice regarding that

392 trip?

393 . A Not that I recollect.

394 . Q Did anyone call from any other agency regarding

395 that trip?

396 . A Not that I recollect.

397 . Q When he came back, what happened?

398 . A The day he came back--let me rephrase that. We had

399 a meeting. That was on April 4. In attendance at that

400 meeting was myself, my executive assistant, Ana Barnett,

401 Larry Sharf, Dick Gregorie.

402 . It was an extensive meeting. Basically the purpose

403 of it was for him to detail what he had found out in Costa

404 Rica.

405 . Q Okay.

406 . A At that point--it is during this meeting that I

407 recollect him preparing and showing us a diagram.

408 . I must add there was a lot of discussion at that

409 meeting concerning what violations were potentially

410 available. I recollect a discussion of the Boland

411 amendment. The reason I recollect a discussion of the

412 Boland amendment is because it is at this meeting that

413 Leiwant, one of my assistants, says I received a phone call

414 from Jensen or Trott.

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415 . Very recently he told me that he was the one who
416 said that. Until he said that to me, I did not even
417 recollect him being in the meeting. He was not there for
418 the whole meeting. He was there for a short portion of it
419 at the end of the day, when we couldn't find the Boland
420 amendment in any of our books.

421 . We asked our executive assistant, Ana Barnett--I
422 sent out to used juris to get a copy of the Boland
423 amendment. My understanding from her is that David Leiwant
424 was using the juris machine. She asked him to run it and
425 bring it in and he stayed for a while.

426 . During this discussion we had an extensive
427 discussion of what he found out, potential violations, a
428 discussion of that. I am certain that at that meeting,
429 because it was in my mind complex, I asked him to prepare a
430 memorandum of what he had found out, what he suggested--where
431 does he suggest we go from there.

432 . Q David Leiwant said that he received a call?

433 . A David said he was in that meeting with me and that
434 I received a telephone call from either Lowell Jensen or
435 ~~Steve Frett~~ and that I got off the phone and I said that
436 Washington wants us to go slow and I grimaced and we went
437 forward with the conversation.

438 . This was related to me by him approximately eight
439 weeks ago. Until that time I didn't know.

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440 . I immediately informed a variety of different
441 people about the source of the allegation. I told OPR and I
442 told--I called special counsel, or I had my assistant call
443 special counsel. I called OPR immediately and told him this
444 is an allegation being made against me, I want it
445 investigated.

446 . Q But this is after it all comes to light in the
447 newspapers, isn't it?

448 . A Yes. But it wasn't--you know, I did not know who
449 the source was. I had initially asked for the
450 investigation. There was additional information that they
451 needed in order to conduct the investigation, i.e., the
452 exact source.

453 . I immediately informed them of that because they
454 were conducting--OPR was conducting an investigation at my
455 request about the allegations of slowing down.

456 . Q Did you ask the other people in the room if they
457 recalled your receiving such a telephone call?

458 . A Pardon me?

459 . Q Did you ask the other people in the room if they
460 had--

461 . A Yes.

462 . Q --recalled?

463 . A Yes.

464 . Q What did they say?

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465 . A They each say that it never happened. ~~X~~

466 . Q Did you ask your secretary if she had taken such a

467 call?

468 . A No, I haven't.

469 . Q When these allegations surfaced in the press, did

470 you take steps to try to find out where that information

471 came from?

472 . A No.

473 . Q Why not?

474 . A I didn't care because it was a lie. I felt that it

475 was political and it would be useless for me to try and, in

476 any event, it was simply not true. So I didn't care.

477 . Q What then came to your attention with Mr. Leiwant's

478 comment? In other words, did he come to you a few weeks

479 ago?

480 . A Yes. He came--he actually went to Ana Barnatt and

481 Dick Gregoria and said, "I'm the one who has been saying

482 from inside the office." So that I knew. That is why I

483 told the special counsel and OPR, because I had asked OPR

484 initially to do an investigation of me on the cover-up, on

485 the alleged slowdown, and I did not have a piece--they did

486 not have, because I did not have, a piece of information

487 about who was a witness.

488 . I now had information about a witness and it had to

489 be given to them so they could do the appropriate

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490 investigation--something I didn't have before.

491 . Q Why did Mr. Leiwant go to Ana Barnett?

492 . A It was related to me he had been called by a

493 Congressional staffer. That's what he told Ana Barnett as a

494 reason why he came forward.

495 . Q Because he anticipated a Congressional inquiry?

496 . A No. He had--a Congressional staffer called him.

497 . Q Do you know from what staff?

498 . A No. I believe it was from Congressman Hughes'

499 staff. I think it was Hayden Gregory.

500 . Q At that time or subsequently did you find out who,

501 if anyone, leaked the memorandum that Mr. Feldman prepared?

502 . A Are we talking--

503 . Q I am jumping ahead. We are on leaks.

504 . A Okay. All right.

505 . No. I was aware that it had been leaked sometime

506 before that.

507 . Q But do you know who did it?

508 . A No.

509 . Q I guess we are back to the long meeting after Mr.

510 Feldman comes back from Costa Rica?

511 . A Right.

512 . Q Do you remember specifically anything that stands

513 out in your mind regarding that discussion of what you found

514 out that you thought was noteworthy?

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515 . A That there was no substance to the assassination
516 attempt; that there was possible substance to arms
517 violations and sending mercenaries down. Again the focus
518 was that there was no substance to the assassination plot,
519 the million-dollar Jorge Achoa issue and the bombing of the
520 embassies. That had always been a priority item for me.

521 . Q Do you recall Mr. Feldman at this time showing you
522 a chart?

523 . A I recall him preparing a chart.

524 . Q Do you recall seeing Oliver North's name at the
525 top?

526 . A No.

527 . Q You don't recall that?

528 . A No. It would have had no meaning to me. One of
529 the reasons I asked for the memo detailing everything was
530 because it was confusing. It was difficult to parse out in
531 a verbal manner. I wanted to see it in writing.

532 . Q Do you have that chart? Is that one of the things
533 that Mr. Feldman provided you?

534 . A It is part of this.

535 . Q Yes. It is part of the materials in front of you.

536 . Let the record reflect you have, I think, a three-
537 inch black binder?

538 . A I am not sure. Let me take a look.

539 . Q It would be around early April probably.

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540 . A Yes. It is tabbed. Yes, I have it.

541 . Q Referring to this document, about one inch down is

542 the name North MSC?

543 . A Yes.

544 . Q Do you recall seeing this chart at the time you

545 received the briefing?

546 . A I recall him preparing the chart or showing it to

547 me at the time of the briefing, yes.

548 . Q Did you ask him about this notation, North MSC?

549 . A I don't recollect.

550 . Q Right beneath it, a reference to Robert Owen?

551 . A Yes.

552 . Q Do you recall asking him about Robert Owen?

553 . A I don't recall it. I remember him discussing the

554 fact that Owen supposedly had some connection with North.

555 But that is really all.

556 . Q You recall their names at least coming up in the

557 briefing?

558 . A I recall Owen's. I don't recall North's

559 specifically. I recall National Security Council.

560 . Q So you recall him telling you Owen had some

561 relationship to the National Security Council?

562 . A Yes.

563 . Q Was there any discussion at that point of perhaps

564 referring this to Main Justice, Office of Public Integrity,

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565 since possibly public officials would be involved?
566 . A No. There was no discussion at that time about
567 that.
568 . Q What else was discussed at that meeting that would
569 stand out in your mind?
570 . A The only thing that stands out was that I wanted
571 this in memo form.
572 . Q Did Mr. Feldman describe to you his meeting with
573 Ambassador Tambs?
574 . A I'm sure he did. But I have no recollection. It
575 was a lengthy meeting. I am sure he went over with me
576 everything.
577 . Q Did he discuss with you his meeting then with the
578 [REDACTED]
579 . A Again I am sure he did. I am sure he went over
580 with us everything that he had done down there.
581 . Q Do you recall what your reaction was to that?
582 . A No. I don't know what you mean by "reaction."
583 . Q Well, did you find that surprising or--that [REDACTED]
584 [REDACTED] would be interested in this case?
585 . A No, I did not find it surprising. It did not
586 register with me in terms of surprise.
587 . Q When is the first time you recall the allegations
588 or any discussion about the case appearing in the press?
589 . A It depends on--I don't have an independent

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590 recollection of exactly when. I do know reading a lot about
591 it and I do know reading that the stories, when I read it,
592 that were not true in what I had gathered from the
593 investigation, that I was being briefed on by Jeff Feldman.

594 . For example, I am aware--I was always aware that
595 everybody said that this case involved six tons of guns, and
596 during this period of time, April, when I asked for the memo
597 and we had the discussion, we were talking about twelve
598 tons, not six tons.

599 . I am aware that I was told that stories were being
600 told through the media about what this case was. I am
601 aware, for example, that there were certain stories that
602 people saw all the weapons and yet I was being briefed that
603 no one saw the weapons.

604 . I was aware that at some point in time there were
605 statements made that the initial witness, Jesus Garcia, had
606 passed a polygraph test. I was aware that I was being
607 briefed that he did not.

608 . 2 Do you recall any discussion with Mr. Feldman on or
609 about April 11 again regarding the case?

610 . 1 No.

611 . 2 Regarding sensitivity?

612 . 1 No.

613 . 2 Do you recall any sort of joking remarks regarding
614 the fact that you hadn't been appointed yet?

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615 . A No. April 11th, I returned from--is the day I
616 returned from Europe. It is also the day that two FBI
617 agents were killed and three were in the hospital, and I had
618 been paged at the airport about it. My focus at that point
619 was on that.

620 . Q When did the Attorney General come down?

621 . A I believe the following day. It was over the
622 weekend. I did not know he was coming down until I was told
623 by the FBI.

624 . The FBI said would you like to go to the airport
625 with us. I believe--it was either a Saturday or Sunday. I
626 had been to the hospital before, I recollect. I went to the
627 hospital twice. It was either before or after he came down.
628 But I remember going to the hospital twice.

629 . I was not aware he was coming down until I was told
630 by the FBI that he was and asked if I wanted to join them.

631 . Q Was that on the same day you met him?

632 . A No. It was the day before--two days before. I
633 think they told me on a Friday. It happened over the
634 weekend, as I recollect. I am sure it happened over the
635 weekend.

636 . Q And did you meet him at the airport?

637 . A Yes.

638 . Q Did you drive with him to the hospital?

639 . A No.

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640 . Q Where did you go after the airport?

641 . A We went from the airport in a convoy to one of the
642 hospitals. I don't recollect. There were two hospitals,
643 South Miami and Baptist. I believe those were the two
644 hospitals. The agents were in different hospitals. We went
645 to both hospitals.

646 . Q Straight?

647 . A Yes.

648 . Q What did the Attorney General want to do? What was
649 the purpose of his visit?

650 . A To visit the agents. Well, you are asking me for
651 something--he didn't tell me that. I just knew it because I
652 was told by the FBI that he was coming down to visit the
653 agents in the hospital. So I knew that that was the purpose
654 of the trip.

655 . Q What did you discuss in the car on the way to the
656 hospital?

657 . A With the Attorney General?

658 . Q Yes.

659 . A I did not ride with the Attorney General.

660 . Q You just rode in the convoy?

661 . A I was in the convoy. I did not ride with the
662 Attorney General. I rode with the Deputy Attorney General,
663 Walter Jensen.

664 . Q Who rode with Meese?

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665 . A I don't recollect.

666 . Q Did he have a man there named John Richardson?

667 . A I don't recollect.

668 . Q When was the first time you had any conversation of

669 any substance with the Attorney General?

670 . A What do you mean by "substance"?

671 . Q Well, more than hello, how are you. On any

672 subject.

673 . A I only recollect one conversation of any substance

674 during the entire time.

675 . Q Was this at Baptist Hospital?

676 . A It was at one of the hospitals. It was either

677 Baptist or South Miami. I don't recollect which hospital.

678 . Q What do you recall?

679 . A He called me aside, asked me about this case.

680 . Q This case specifically?

681 . A Yes.

682 . Q How did he refer to it?

683 . A I don't specifically recollect. I believe he

684 talked about the assassination plot.

685 . Q Did he know you had a case there? In other words,

686 did he say Mark Richard tells me you have a case?

687 . A No, no, no.

688 . Q Did he say I hear you have a case down here?

689 . A Something to that effect. It was not, "Mark

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690 Richard told me about it and briefed me about it." It was,
691 "Tell me about what is going on with that thing with the
692 assassination plot," or some words to that affect.

693 . It was clear in my own mind that he knew. It
694 wasn't like a general "Tell me about your most interesting
695 case." It was clear to me he was referring to the
696 assassination plot.

697 . Q What did you tell him?

698 . A I basically told him as far as the assassination
699 plot, that the investigation--we had done ^{the} investigation,
700 people had gone and done interviews. With respect to the
701 assassination plot, there is no evidence, that my prosecutor
702 and the agents--my prosecutor tells me. With respect to the
703 other matters, it is still under investigation.

704 . Q When you said "the other matters," had he
705 referred to other matters?

706 . A I am not sure if he referred to it or I did. I did
707 talk about the gun running. I am not sure whether I just
708 said there are allegations of gun shipments from Miami, but
709 I did divide the two.

710 . Q This is kind of important. Did he ask you at all
711 about any military activity or any guns being shipped in
712 support of the contras?

713 . A No.

714 . Q So--

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715 . A He did not question me. He asked me one question.
716 I gave him a brief statement. The assassination plot
717 doesn't look like it's flying, the gun running, we are still
718 investigating. That was it. There was no follow-up
719 questioning by him. The conversation did not take more than
720 two minutes, two to three minutes.

721 . Q But you can't recall if it was yourself who first
722 mentioned gun running, or the Attorney General; is that
723 right?

724 . A No. I always have divided the case in two pieces,
725 really.

726 . Q Did he say anything like, "Keep me informed," or
727 anything along those lines?

728 . A No.

729 . Q When you had this conversation, who else was
730 present?

731 . A I believe Lowell Jensen was.

732 . Q Did he participate in it?

733 . A I don't recollect. I don't believe so. As I said,
734 I believe it was just a one question and my answer.

735 . Q Was Lowell Jensen within earshot?

736 . A I would be speculating.

737 . Q Well, you can tell me distances.

738 . A I don't recollect at all.

739 . Q After that little conversation, what else did you

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740 and the Attorney General discuss?

741 . A Nothing that I recollect.

742 . Q He didn't ask you about any other cases?

743 . A No.

744 . Q Did you tell him about any other cases?

745 . A I don't recollect. There were two matters that

746 were, in my mind, important that I could have discussed with

747 him. One was an indicted case that had come down, that the

748 Department is very interested in, that I had spoken to

749 Lowell Jensen about. That had to do with the arrest of

750 a--what we understood to be a senior member of the Government

751 of Surinam^e which happened around the same time period.

752 . Q But you don't recall if you discussed that with the

753 Attorney General?

754 . A No.

755 . Q How long was the Attorney General in Miami?

756 . A I think a couple of hours.

757 . Q Did he go back to Washington?

758 . A I don't know.

759 . Q Did he go back to the airport?

760 . A Yes. I went with him.

761 . Q Did you ride with him?

762 . A No.

763 . Q Do you know if the Attorney General met with anyone

764 that day, aside from the agents in the hospital?

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765 . A In Miami?

766 . Q Yes.

767 . A No. I think the entire trip involved--I saw his
768 plane land. We went to the hospitals. We went back to the
769 airport. I saw him get on the plane.

770 . Q When you got back to the office, did you tell
771 anybody that the Attorney General had inquired about this
772 case?

773 . A You mean the following day or something? That was
774 a weekend. I did not go back to the office.

775 . Q Well--

776 . A At any time?

777 . Q Yes,

778 . A No, no. I didn't discuss that with anybody. I
779 didn't tell anybody.

780 . Q How did the newspapers find out about it?

781 . A Oh, I told them when the whole thing happened.
782 When it was disclosed that the allegation was that he told
783 me to go slow, cancel the investigation, they said, "What
784 do you have to say?"

785 . I said not only is it not true, I only have spoken
786 to the Attorney General once in my life and that was the
787 time. That's the only time he discussed it. I don't
788 believe before that time that--at the time of the
789 questioning, that I had ever seen the Attorney General ever

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790 in a setting other than a hello, how do you do. That is how
791 it came out. I said it.

792 Q What is the next thing of significance that you
793 know about this investigation?

794 A Because of the assassination plot, because of the
795 complexity, during that month I wanted--month, month and a
796 half, I wanted a memo. We worked on that memo. Jeff sent
797 me drafts. I didn't like it. I sent it back. We changed
798 it. We had a meeting.

799 It was my intent that that memo was going to
800 Justice, to Mark Richard, putting together everything we had
801 up to date.

802 Q Had Mark asked for one?

803 A No. Not that I recollect. It was my choice, I
804 believe. I wanted it up there.

805 Q Why?

806 A Because he asked me about it initially. Because it
807 did involve an assassination plot. Because there were
808 articles in the newspaper. And, most importantly, there
809 came a time where there were press reports saying there was
810 no investigation. That was wrong. I had my executive
811 assistant call Washington and say it was wrong, that in fact
812 there was an investigation going forward.

813 I wanted the memo up there to show them what we had
814 found and what we intended to do.

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815 . 2 This is Ana Barnett called someone?

816 . 1 Yes.

817 . 2 Do you know to whom she spoke?

818 . 1 Yes.

819 . 2 Who?

820 . 1 Pat Kortin.

821 . 2 The press person?

822 . 1 Yes.

823 . I was annoyed when I saw articles saying there was

824 no investigation.

825 . 2 Do you recall when these articles appeared?

826 . 1 Sometime the end of May.

827 . 2 When you got the first draft of Mr. Feldman's memo,

828 did you agree with the conclusion?

829 . 1 There was none.

830 . 2 Did you send it back for a--

831 . 1 Yes.

832 . 2 Why don't we go through the drafts?

833 . 1 Yes. No. The initial memo was not what I wanted

834 because it didn't start from day one and didn't go to day--to

835 date. I wanted something that laid everything out.

836 . If I recollect properly, there was no conclusion.

837 . 2 What about the part that says 'Conclusion'?

838 . 1 Yes. It was not--the conclusion I was referring to

839 was a conclusion of what we were going to do. The

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840 conclusion here is that--'Although our investigation has
841 dispelled Garcia's story, we have learned CMA actively
842 assisted'---'Although our investigation has dispelled
843 Garcia's story, we have learned that CMA and Renea Corbo
844 actively assisted the FDM in [REDACTED] before
845 November '84 and April '85. There is no question Renea
846 Corbo and CMA actively recruited individuals in the United
847 States to train or fight with FDM contras.

848 'Further investigation may also verify Carr's
849 claim that weapons were among the items shipped from the
850 United States to [REDACTED]''

851 That, in my mind, was not the conclusion I wanted.
852 The conclusion was not that further investigation may. I
853 wanted to know what he recommended that we do to continue
854 the investigation.

855 Also, the memo began in the middle. It did not
856 describe how we got to the point of going to see Jack
857 Terrall and going to Costa Rica. Since I knew that I wanted
858 to disseminate this memo, I wanted everything from day one
859 to the time the memo was written.

860 I also wanted it--the memo starts in the middle. I
861 wanted it to say this is a memo that describes the
862 investigation conducted to date by the FBI, this office. I
863 wanted it much more formal than it was, because I knew what
864 I wanted to do with it.

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865 . 2 Did you tell Jeff Feldman that it was going to
866 Washington?
867 . 1 I don't think so.
868 . 2 Was there any reason why not?
869 . 1 No.
870 . 2 So what did you tell him to do with the memo?
871 . 1 Redraft it with these things, including his
872 recommendation and the beginning. I don't recollect that
873 anything in the middle was changed, the facts.
874 . 2 And did he?
875 . 1 Yes.
876 . 2 And the next draft then he produced?
877 . 1 That's right. The next draft had a conclusion.
878 The next draft had a conclusion. It was given to me April
879 14 or 15. I went over it. Since I knew where this was
880 going, I made some changes because it was going up with a
881 recommendation to go forward with the grand jury. It was
882 going to have my name on it as going forward with the grand
883 jury, that I was agreeing with this thing.
884 . So I sent it back to him, some other minor changes,
885 questions on it. It was redrafted. Then before I would
886 send this memo, I wanted a meeting with my senior people to
887 see if they agreed with it, and then we had a meeting after
888 the second draft was prepared--third draft at that point.
889 . 2 I am referring now to the memorandum-unfortunately

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890 it is dated May 14, 1986, like on the draft. This one says
891 first. Could you read that for the record?

892 . A "First draft to Kellner."

893 . Q If we could get to the conclusion page--

894 . A Right.

895 . Q There is some handwriting on the bottom of page 20
896 of that draft. Could you read that for the record?

897 . A "I concur we have sufficient evidence to institute
898 a grand jury investigation into the activities described
899 herein."

900 . Q Whose handwriting is that?

901 . A That is my handwriting.

902 . Q Was that to be on the draft itself?

903 . A Yes. In the version--yes. I was working on a draft
904 that if it had gone up that way, it would have been on it.
905 It was not--this was not supposed to be just little notes for
906 me. The purpose for that was incorporating. There are
907 other comments throughout.

908 . Q Was this drafted prior to your meeting with your
909 senior staff people?

910 . A Yes.

911 . Rephrase the question. Do you mean the memo or my
912 statement on it?

913 . Q Your notation on it.

914 . A Yes.

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915 . 2 Before the meeting?

916 . A Yes.

917 . 2 The meeting, I understand, occurred May 5th; is

918 that correct?

919 . A There was a meeting May 5th. It is in my calendar.

920 It says case review. I would assume we discussed an early

921 draft of this memo. I had received it--not this particular

922 memo you just referred to, but the prior memo. I would

923 assume that that was discussed at that point. It may have

924 been discussed at some other point.

925 . 2 Okay.

926 . A There was a point between receiving the initial

927 draft--I had a discussion in which I raised the concerns that

928 it was not complete and I wanted a conclusion. That

929 happened in that time period.

930 . 2 So the meeting with the senior staff, did that take

931 place May 10th?

932 . A Yes. That is on my calendar also. According to my

933 calendar, Joe McSorley was supposed to be there. He was my

934 chief assistant. I don't think he was.

935 . 2 On your calendar notation how is it referred to?

936 . A Costa-1.

937 . 2 What happened at the meeting?

938 . A We went through the memo, discussed it. There was

939 substantial discussion, including--with me--about the focus of

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940 the investigation, whether we had sufficient information to
941 go to the grand jury and whether or not there should be
942 continued investigation done, primarily because of the
943 contradictory nature of the statements that were being made,
944 and also the fact that at this point in time we had nobody
945 with respect to the arms shipment who was prepared to say
946 that there were even twelve guns on the plane; that the only
947 thing we had was a statement from Steven Carr saying he was
948 told that but hadn't seen it. Discussion along that line.

949 . Q Was there any discussion of bank records or other
950 records?

951 . A Yes.

952 . Q What was the gist of those discussions?

953 . A Whether or not a grand jury was needed to get at
954 them, whether or not we--whether we could get those bank
955 records without a grand jury. No, strike that. That had to
956 do with some of the records.

957 . Whether or not at this point in time it was
958 appropriate to get the bank records before we had any
959 allegations of something else. That is what I recollect of
960 that conversation. Was this the time to do it.

961 . The records I was referring to were ATF records.

962 . Q ATF records or records kept by gun dealers?

963 . A Records kept by gun dealers which ATF can get
964 without a grand jury subpoena.

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965 . . Q As to the bank records--

966 . A You would need a grand jury subpoena.

967 . Q It was decided to hold off on that?

968 . A It was decided there was not sufficient

969 information, sufficient evidence developed in the case so

970 far that--to go forward with those inquiries. That was a

971 general discussion among all the people at that meeting. It

972 was basically unanimous.

973 . Q Was it discussed as to what people would be--could

974 be hurt or embarrassed or whatever, or innocent parties

975 being disclosed from a grand jury investigation?

976 . A Whenever you do a grand jury, we are concerned

977 about that. I am certain that that was discussed. When I

978 do--when we do any investigation that is of a sensitive

979 nature, one of the concerns we have about a grand jury is

980 that it could be disclosed by people who are being served by

981 it.

982 . Q Was that discussed?

983 . A I have no independent recollection of that.

984 . Q Does Florida have a bank secrecy law?

985 . A Not that I recollect. Certainly not that would

986 apply to us.

987 . Q For instance, when you issue a subpoena for bank

988 records, are they obligated to inform the customer or do

989 they have no obligation? Or are they obligated to keep that

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990 request secret?

991 . A They were not obligated to keep the request secret.

992 That is an issue that is discussed frequently in South

993 Florida, especially because of the bank records that we

994 have, bank records that we seek, especially in our money

995 laundering investigations where at times the banks take the

996 position that they must disclose.

997 . Recent legislation was passed--I think in the '86

998 Drug Abuse Act--that, in essence, gave banks protection for

999 nondisclosure which hadn't existed prior to that time.

1000 . One of the arguments they made was they did this to

1001 protect themselves from liability. When the '86 Act was

1002 passed, it gave them a certain amount of protection. It

1003 also gave us the ability to go for a court order.

1004 . Q Of nondisclosure?

1005 . A Of nondisclosure.

1006 . Q Were any of these matters discussed in that

1007 meeting?

1008 . A You mean the new law?

1009 . Q Yes.

1010 . A No. It wasn't passed.

1011 . Q All right.

1012 . A Do you want to know the names of the people who

1013 attended that meeting?

1014 . Q Sure.

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1015 . . 1 Myself, Dick Gregorie, Ana Barnett, Larry Sharf and
1016 Jeff Faldman.

1017 . . 2 Larry who?

1018 . . 1 Sharf, S-h-a-r-f. He attended the earlier
1019 meetings, as well.

1020 . . 2 How many grand juries do you have sitting at any
1021 one time?

1022 . . 1 About 30. 25 to 30.

1023 . . 2 So the discussion was not whether to impanel a new
1024 one for this case?

1025 . . 1 No. Grand juries are impaneled--we receive a--the
1026 process is we apply on a yearly basis, annual basis, and it
1027 is an omnibus order, omnibus request for grand juries for
1028 our needs based upon the number of grand juries that are
1029 expiring and the number we think we need.

1030 . . 2 Taking this case aside, on an average case what is
1031 necessary or what procedures do you have to allow an
1032 assistant to decide whether or not to go to the grand jury,
1033 either to issue subpoenas or for testimony?

1034 . . 1 Generally they deal with their supervisors on that.

1035 . . 2 Do they have to seek their supervisor's permission
1036 every time they want to issue a subpoena for bank records?

1037 . . 1 No, no.

1038 . . 2 So what made this case so unusual?

1039 . . 1 Because of the notoriety. I treated this case

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1040 similarly to the way I would treat a number of similar
1041 sensitive cases where, before we issue grand jury subpoenas,
1042 we discuss it. The types of cases that come to mind are
1043 public corruption cases where, before we issue any subpoenas
1044 in those cases, it is discussed, because especially in those
1045 types of cases there is a public disclosure requirement
1046 where, whenever we issue a subpoena to any public body, it
1047 is going to be in the newspaper.

1048 . So because of that and because of people's
1049 reputations, depending upon what we say on our subpoenas, we
1050 are careful how we do it to assure that people are not
1051 unfairly tarred by allegations.

1052 . 2 Was there any discussion about possible
1053 embarrassment or hurting the reputations of any Cuban
1054 Americans in Southern Florida?

1055 . A I don't recollect. I don't recollect that.

1056 . 2 Would that have been a concern of yours?

1057 . A Not necessarily Cuban Americans. Anybody. That is
1058 a concern of mine. I am not going to--it is a concern to me
1059 all the time. Sometimes we have no choice and we have to do
1060 it, but I am concerned about people being accused in the
1061 media unfairly where I can't comment.

1062 . I never comment about a continuing investigation,
1063 yet the allegations remain, so I am careful about that.

1064 . 2 Well--

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1065 . . A That applies across the board.

1066 . . Q Here is what I have trouble reconciling. You have

1067 stated that in early May the articles appear alleging that

1068 you are going to slow down on the investigation, or there is

1069 no investigation and it is not proceeding.

1070 . . A No.

1071 . . Q Did I misstate what you said?

1072 . . A Yes.

1073 . . Q Okay. Why don't you tell us about when those

1074 allegations appeared.

1075 . . A Those allegations appeared afterwards. What I said

1076 happened early May was that the Department of Justice had

1077 said that there was no investigation.

1078 . . Q Okay. Why don't we back up on that, then. What

1079 happened in early May?

1080 . . A My understanding is there was a report in the

1081 newspapers saying that to characterize it as an

1082 investigation was too strong, that type of statement,

1083 implying that we didn't have an investigation going.

1084 . . Q And that is one of the reasons why you wanted the

1085 memo to be generated to the Department of Justice?

1086 . . A That's right.

1087 . . Q If, indeed, that were one of your motivations for

1088 sending the memo to Justice, would you not then have been

1089 more eager to involve the grand jury in at least subpoenaing

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1090 records at that point?

1091 . A No. I think that would be improper.

1092 . Q You seem to be saying two contradictory things. I

1093 want to get it real clear.

1094 . A Okay. I am not--and hopefully never going to do

1095 something in either law enforcement, grand jury, anything

1096 else, based upon a need to protect myself, and that if I

1097 said that I was using a grand jury because I was trying to

1098 counter a news story or a misstatement, then I would be--I

1099 would feel I would be doing something very improper.

1100 . Q I understand that. That wasn't my point.

1101 . A We were looking at this case the way we would look

1102 at any sensitive case. And I consider this sensitive

1103 because of the variety of the allegations. And I treated it

1104 the same way. My assistants treated it the same way.

1105 . Q What was sensitive about this case?

1106 . A What was sensitive about it was, first of all, the

1107 fact that there was the accusation of assassination plots

1108 and the bombing of embassies. That, in my mind, made it

1109 sensitive, and the fact that there was a lot of coverage

1110 about that aspect of it, that I recollect. That made it, to

1111 me, sensitive. That is why I was involved.

1112 . Q The coverage you recall, was that over the

1113 assassination attempt?

1114 . A There was a lot of coverage about it.

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1115 . Q Was there coverage about the gun smuggling to the
1116 contras?

1117 . A Yes.

1118 . Q Did you not consider that sensitive?

1119 . A I would say that would be sensitive, too.

1120 . Q And the fact someone from the MSC was mentioned in
1121 the investigation would be sensitive, would it not?

1122 . A Yes, though I must tell you I don't recollect
1123 focusing on that subject, other than the fact that it
1124 happened and they said it happened.

1125 . Q At the meeting on May 20, what was the conclusion
1126 that you came to regarding how the case should be conducted?

1127 . A The conclusion that was arrived at by everybody,
1128 and with my--obviously it was my call, my decision; I am the
1129 U.S. Attorney--was there should be a continuing
1130 investigation, but that it was premature to have a grand
1131 jury issue subpoenas for any records at that point.

1132 . Q What specifically was to be done?

1133 . A A number of interviews, checking ATF records.
1134 Those are the things I recall. Continued investigation,
1135 continued interviews.

1136 . Q Who?

1137 . A A variety of people. I don't recollect who. It
1138 was in the memo. I don't have an independent recollection
1139 of it. I do now because I know it is in the memo, but at

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1140 | that point, you know, whether I recollect what was discussed
1141 | at the meeting--I do know what was in the memo.
1142 | . Q Did you have the memo redrafted?
1143 | . A Yes.
1144 | . Q By whom?
1145 | . A Initially by Jeff Feldman.
1146 | . Q And did you read that redraft?
1147 | . A No. I gave it to Larry Sharf first.
1148 | . Q Why?
1149 | . A Because I was sending it to the Department. He is
1150 | my special counsel. I value his judgment. He was involved
1151 | in the initial discussion and I wanted him to review it
1152 | before I sent it to the Department.
1153 | . Q Did you see his revision? In other words, did you
1154 | know that those were his revisions, not what Mr. Feldman had
1155 | written?
1156 | . A I don't recollect. I don't recollect. It did not,
1157 | quite frankly, make a difference to me. What I was sending
1158 | to the Department, irrespective of who wrote it, it was my
1159 | decision and was my--my office's product. So I was not
1160 | particularly interested in which particular assistant did
1161 | it.
1162 | . Q Well--
1163 | . A I stood by. It was my product.
1164 | . Q So is it my understanding now that you did not

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1165 compare what Mr. Feldman had given you and then what Mr.
1166 Sharf returned to you?

1167 . A No, because by that time--if you are referring to
1168 the fact that it did not have a recommendation to the grand
1169 jury, that I knew.

1170 . Q No. I am referring to the many changes Mr. Sharf
1171 made in it.

1172 . A No.

1173 . Q So you weren't aware of changes he made in it?

1174 . A I don't recollect the changes he made in it. I
1175 read the memo. I was satisfied it should go up to the
1176 Department as where we were going, and I sent it.

1177 . Q Did he tell you he had made changes?

1178 . A I don't particularly--my recollection--my
1179 recollection is that I would assume he did.

1180 . Q Would you have discussed them?

1181 . A I may have. I am aware that--I know now--I can't
1182 parse out from what I know now to then, that I knew the
1183 changes were primarily in the conclusion to give
1184 justification and reflect more what we had discussed at that
1185 meeting.

1186 . Q Who told you that?

1187 . A I believe Larry Sharf.

1188 . Q Did you ever ask Mr. Feldman about those changes?

1189 . A No.

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1190 . Q When you sent it off to the Department of Justice,
1191 did you hear back from them?
1192 . A No.
1193 . Q From Mark Richard?
1194 . A No.
1195 . Q Anybody in Criminal Division?
1196 . A No.
1197 . Q Anyone at Main Justice at all?
1198 . A No.
1199 . Q Did you ever call about it?
1200 . A No.
1201 . Q Did you just figure they would get back to you?
1202 . A No.
1203 . Q Why didn't you call back to find out what had
1204 happened?
1205 . A Because the purpose of the memo was not for them to
1206 do anything; the purpose of the memo was to give them the
1207 information of what I was doing. I did. That was all there
1208 was. It did not ask them to do anything. It was simply an
1209 informational memo from my office.
1210 . Q You never heard back from anyone at Justice about
1211 it?
1212 . A No.
1213 . Q What about the case itself? Did you have any other
1214 inquiries from the Department of Justice?

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1215 . . . A I had no inquiries. At various times when I was on
1216 the telephone with Mark Richard, I would discuss issues with
1217 him, and I believe there were a number of times when I was
1218 on the phone with Lowell Jensen. I may have said this
1219 investigation was still going on. More at the beginning.
1220 But at this point in time, I don't recollect talking to any
1221 senior officials about it.

1222 . I recollect talking to Mark Richard because of the
1223 concerns we have about the Neutrality Act.

1224 . Q The legal concerns?

1225 . A Yes. They have been raised in a variety of
1226 meetings. I had discussed with Mark Richard memos that
1227 could get out of the Department on the Neutrality Act, legal
1228 angles. RPTS DINKEL

1229 DCMN BANMAN

1230 3:45

1231 . Q Did you consider assigning any more attorneys or
1232 any other attorneys to this case?

1233 . A I considered assigning another supervisor to
1234 supervise what Jeff was doing. I asked Joe McSorley to do
1235 it.

1236 . Q Your chief assistant?

1237 . A Yes.

1238 . Q When was that?

1239 . A I can't recollect exactly the time period.

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1240 . Q Well, was it soon after this meeting or way down
1241 the road?

1242 . A I think it was way down the road. I do not
1243 recollect doing it at that point in time. I may have also
1244 asked Dick to keep on top of it.

1245 . Q Who?

1246 . A Dick Gregoria, chief of the Criminal Division.

1247 . Q Did you ever consider putting more assistants on
1248 it, double-timing it?

1249 . A No.

1250 . Q Is that rarely done in Miami?

1251 . A Yes.

1252 . Q Seeing as though this was a sensitive case and a
1253 rather complex one, did you ever consider putting a more
1254 experienced attorney on the case?

1255 . A No. But that is why I asked at some point in time
1256 to have a supervisor keep close watch of it.

1257 . Q Did you ask for any periodic reports of any kind?

1258 . A No.

1259 . Q Now, were you aware of Mr. Feldman's trip to
1260 Thailand in June?

1261 . A Yes.

1262 . Q Were you aware that he had been assigned the Thai
1263 case?

1264 . A Yes.

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1265 . Q How did that come about?
1266 . A That came about because the case had been assigned
1267 to Pat Sullivan, who was a senior litigation counsel. At
1268 that point in time the State Attorney had asked us to take
1269 over a very sensitive case involving allegations of murder
1270 and civil rights violations by seven former and current
1271 police officers of the Miami Police Department.
1272 . Pat had the experience. Pat had the background to
1273 do that type of thing. And I wanted him to do it because of
1274 the--again, the sensitivity. It involved public officials.
1275 It was important to me. I wanted him to do it.
1276 . The other case was a drug case, which we have lots
1277 of. I felt his time was better spent doing this particular
1278 case, and there was a time limit on it because of things
1279 happening in the state system. Therefore, there had to be
1280 substantial and immediate grand jury work.
1281 . I did not assign Jeff to the case.
1282 . Q To the Thai case?
1283 . A Right. We needed an assistant for that because I
1284 wanted Pat Sullivan to work on the Miami River Cops case.
1285 . Q Who made the decision to assign Feldman to the Thai
1286 case?
1287 . A Probably Dick Gregorie, the chief of the Criminal
1288 Division.
1289 . Q Did he discuss that with you before he made that

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1290 decision?

1291 . A I don't recollect. At that point we were having
1292 problems with Gramm-Rudman. I had my trials--they had gone
1293 up 20 percent. I was running about 30, 35 trials a month
1294 and I needed people. A lot of investigations at that point
1295 were sitting on the back burner because of the trial
1296 schedule and because of the reduction in the number of
1297 assistants I had. He was available.

1298 . Q At that time was there any consideration given to
1299 giving the case to somebody else because he had to try these
1300 other cases?

1301 . A No.

1302 . Q From that time, I guess, that the memo is sent on
1303 June 3, 1986--

1304 . A Right.

1305 . Q --until you received the FBI memo--

1306 . A Right.

1307 . Q --what activity, what contact did you have with this
1308 investigation?

1309 . A Very little that I am aware of.

1310 . Q Did you have any conversation with Mr. Richard or
1311 Mr. Jensen or anybody else with the Department of Justice?

1312 . A I don't recollect any.

1313 . Q Did you have any discussions regarding this case
1314 with any other Federal agents?

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1315 . . A No, not that I recollect.

1316 . . Q Were you in Miami for the summer of 1986? In other

1317 words, did you travel for a great deal of time?

1318 . . A I had a vacation.

1319 . . Q Do you recall when?

1320 . . A Pardon?

1321 . . Q Do you recall when?

1322 . . A In August, about ten days.

1323 . . Q Early August, late August?

1324 . . A Middle August.

1325 . . Q When do you recall receiving the FBI memo?

1326 . . A Shortly before I went on vacation. I took it with

1327 me. I read it--reviewed it a little bit. When I came back,

1328 I put a little yellow sticker on it to Dick Gregoria to

1329 review and give me his recommendations.

1330 . . Q Was this memo sent to you by your supervisor at the

1331 FBI or by the case agents directly?

1332 . . A FBI--Jeff gave it to me.

1333 . . Q Jeff gave it to you?

1334 . . A Yes.

1335 . . Q In terms of the form of it, was it to/from, do you

1336 recall?

1337 . . A No, I don't recollect that. I remember it was

1338 thick, quite thick.

1339 . . Q Was it an internal memo or a transmittal?

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1340 . . A I don't recollect that either.

1341 . MR. FLYNN: Are we talking about an FBI report?

1342 . THE WITNESS: Yes.

1343 . MR. FLYNN: Vis-a-vis the memo?

1344 . THE WITNESS: I am sorry? I don't understand the

1345 question.

1346 . MR. FLYNN: It is my experience that an FBI memo

1347 does not go outside of the Bureau. That is an internal

1348 communication?

1349 . THE WITNESS: This was a compilation, I believe,

1350 302, etc.

1351 . MR. FLYNN: It would be fair to say this is

1352 probably a report?

1353 . THE WITNESS: Yes.

1354 . MR. FLYNN: Okay.

1355 . THE WITNESS: I looked at it briefly while I was on

1356 vacation. Very briefly. Then when I came back, I put a

1357 little yellow sticker on it and sent it to Dick Gregoria for

1358 review and his recommendation.

1359 . BY MS. NAUGHTON:

1360 . Q What was the substance of the memo?

1361 . A I really don't remember now. Like I say, I looked

1362 at it briefly. It had a compilation of 302s. I sent it to

1363 Dick Gregoria when I got back, because I wanted him to look

1364 at it in depth to see whether he thought it was appropriate

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1365 to start the grand jury.

1366 . He sent me a memo back. Shortly after, a couple

1367 weeks after, two or three weeks after he sent it to me, it

1368 was in my in box. I got to it. I wrote on the memo that

1369 Dick sent to me to go forward.

1370 . Q What had changed?

1371 . A Primarily it was at this point in time Dick's

1372 recommendation where initially he was very strongly saying

1373 that there wasn't sufficient--

1374 . Q But what specific fact had changed your minds?

1375 . A Again I relied in that particular case on Dick

1376 Gregorie. I did not question him on that.

1377 . Q Is this the memo from him to you, dated October 6?

1378 . A Yes, that's right.

1379 . Q Do you remember discussing this with him or just

1380 reading the memo?

1381 . A No. Just reading the memo.

1382 . Q Do you recall making handwritten comments on that?

1383 . A Yes.

1384 . Q Was that sent to Mr. Feldman?

1385 . A Yes, it was.

1386 . Q Do you recall telling Mr. Feldman to use the grand

1387 jury in whatever way he deemed necessary?

1388 . A I wrote on the memo, "Start a grand jury

1389 investigation."

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1390 . Q Were there any restrictions you applied to that
1391 grand jury investigation?

1392 . A No.

1393 . Q When were you aware of the Hasenfus crash?

1394 . A During the same time period. Obviously there were
1395 things in the paper.

1396 . Q Did the crash figure into your decision?

1397 . A It may have. Because of what I was reading, it may
1398 have made me search out that memo, because I remember giving
1399 it to Dick.

1400 . Q You say you searched it out?

1401 . A In my file. I looked first in mine. I had it. I
1402 looked at it. I read his memo. I signed off on it.

1403 . Q In the press accounts that you had read regarding
1404 the Hasenfus crash, had you read the name Oliver North? Had
1405 that appeared?

1406 . A No. I must say that I did not recollect--what I was
1407 focusing on there were the guns, the twelve weapons and the
1408 mercenaries. That was the focus of our investigation.

1409 . Q From the period of May 20 when you all met until
1410 October 6 or 7 or 8, whenever you finally made the decision,
1411 do you recall asking Mr. Feldman what the status of that
1412 investigation was?

1413 . A No. I spoke to him--I remember discussing it once
1414 with him. That was the end of August. That is because I

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1415 received a very strange communication purportedly from John
 1416 Hull. That came on April 27. It was a letter to me--
 1417 . Q April 27?
 1418 . A I am sorry. August 27.
 1419 . That was a letter to me with copies of letters to
 1420 Senator Lugar and Senator Warren Rudman. It contained
 1421 affidavits of a variety of different people.
 1422 . Q Mr. Glibbery?
 1423 . A Mr. Glibbery, Davis, Carr, Terrell. That was in
 1424 Spanish. These had all been--all had been communicated to
 1425 the Senators. The gist, from what I recollect of it, was
 1426 accusing a senator of misconduct.
 1427 . Q By who?
 1428 . A By these people. Through these affidavits.
 1429 . Q Your understanding was they were charging whom with
 1430 misconduct?
 1431 . A A senator.
 1432 . Q Messrs. Rudman and Lugar?
 1433 . A No. The letter went to Messrs. Rudman and Lugar.
 1434 The memorandums--my impression of reading it was--were
 1435 alleging improprieties of another senator.
 1436 . Q Senator Kerry?
 1437 . A Yes. I found--I had difficulty with those
 1438 documents. I was planning to go to Washington a couple of
 1439 days later anyway. I did not show Jeff Feldman those memos.

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1440 I said--when he came to see me somewhere around that time
1441 period, I said I don't want you to do anything on the case
1442 until I come back from Washington.

1443 . I went to Mark Richard with the memos, with the
1444 documents. He made copies. I took the originals back. I
1445 told him we were going to go forward to find out what the
1446 hell is going on with these memos--with these affidavits.

1447 . I came back. I also asked Mark Richard for some
1448 memorandums of law on the Neutrality Act, which he gave me.
1449 When I came back from Washington the following week, I gave
1450 Jeff the affidavits--the entire package that I had received
1451 and the memorandums of law.

1452 . I said I want you to do some research on the
1453 memorandums of law and I want you to check out the validity
1454 of these memorandums, these affidavits.

1455 . Q When you went to Washington, had Mr. Richard seen
1456 these affidavits before?

1457 . A No, wait. I don't know the answer to that. If you
1458 are asking did I send it to him, no.

1459 . Q But did you get the impression he had--did he say
1460 yes, I have seen these before?

1461 . A I don't recollect. I don't recollect.

1462 . Q What was the status of his knowledge about the
1463 investigation? In other words, did you have to rebrief him
1464 on everything that had happened or was he up to date with

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1465 it?

1466 . A I told him we were still doing the investigation
1467 and were concerned--do you have anything on--any memorandums
1468 of law on the Neutrality Act, which we had great concern
1469 about, and do you have anything, any memorandums, so we
1470 don't have to re-invent the wheel.

1471 . He gave me a couple of memorandums.

1472 . Q But specifically as to the affidavits, what did you
1473 ask him or what did you tell him?

1474 . A I told him these were the affidavits, this is a
1475 document I received allegedly from John Hull. I gave him
1476 the whole package. He said could I Xerox this. I said
1477 sure. He took Xeroxes. I took the remainder back. I am
1478 certain I told him we are going to find out what the story
1479 is with these affidavits.

1480 . Q What did Mr. Richard say regarding the Kerry
1481 investigation?

1482 . A There was no Kerry investigation. I don't
1483 understand.

1484 . Q What did he say about Senator Kerry?

1485 . A Nothing.

1486 . Q What did he say about these affidavits?

1487 . A Nothing.

1488 . Q Had he read them in your presence?

1489 . A I believe he did. I had concerns about it. I

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1490 quite frankly did not believe them.

1491 . Q So what were your concerns?

1492 . A That I was being in some way set up by somebody and

1493 I couldn't figure out who.

1494 . Q To get you to look into these allegations?

1495 . A Yes, possibly. I just didn't know. I felt that

1496 the affidavits were amateurish. They did not make sense to

1497 me.

1498 . Q Yes.

1499 . A But before I asked Jeff to look at it, I wanted the

1500 Department to know I was going to make inquiry about the

1501 validity of these affidavits, and wherever that may lead me.

1502 . Q Were you aware of the Honey litigation?

1503 . A Oh, yes. I was aware that it had been filed, yes.

1504 . Q Did you discuss that with Mr. Richard?

1505 . A No, I didn't discuss it with him. They had asked

1506 me originally for a copy of it. I sent it to them sometime

1507 after it was filed.

1508 . Q Who asked you for a copy of it?

1509 . A Mark Richard, I believe.

1510 . Q Did the civil litigation, the Honey litigation,

1511 come into your thinking at all when you received these

1512 affidavits?

1513 . A No.

1514 . Q So your concern about them was what exactly?

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1515 . . A That I was trying--someone was trying to have me
1516 investigate a senator, either to embarrass me or to
1517 embarrass the senator--embarrass me because if it was
1518 nonsense, why am I investigating a senator; to embarrass the
1519 senator because the allegations were scandalous.

1520 . Q Did you send copies of these to the Office of
1521 Legislative Affairs?

1522 . A No.

1523 . Q Did that enter your mind at any point?

1524 . A No.

1525 . Q What did Mr. Richard--did he say what he would do
1526 with that information?

1527 . A No.

1528 . Q Was there any agreement you would get back to him
1529 or he would get back with you?

1530 . A No.

1531 . Q Going back for a minute, when you told--first of
1532 all, why didn't you show the affidavits to Jeff Feldman and
1533 ask him if he knew of this or had talked to these people or--

1534 . A I didn't want to color his investigation. I felt
1535 that I just did not believe them, and I didn't want to
1536 detract from the other investigation. That is why I didn't
1537 show it to him. I didn't want it disseminated because they
1538 contained, in my mind, scandalous allegations about a
1539 senator, and before I gave it to anybody I wanted to give it

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1540 to--show it to Mark Richard and discuss it with him and tell
1541 him what I was going to do.

1542 . Q What did you tell Mr. Richard you were going to do?
1543 . A We were going to check out the truth of this.
1544 . Q Wouldn't it be playing into this person's hands if
1545 you were going to investigate it?

1546 . A That's why I wanted to talk to him before I did it.
1547 I was going to do it, but I was going to tell him before I
1548 did it because it could come back at me. It would come back
1549 through Justice. I wanted them to know I was going to do
1550 it. I wanted to find out if this was the truth.

1551 . Q What was his response to that?
1552 . A Okay, do it.
1553 . Q Did he suggest any ways to do it?
1554 . A No.
1555 . Q What way did you propose to check it out?
1556 . A When I came back, I gave it to Jeff and I said can
1557 you get--you interviewed all these people who are now writing
1558 these affidavits. Can you get hold of them? If you can, go
1559 back to these people, find out if they wrote that, find out
1560 the truth of these--of the statements they are putting in
1561 these affidavits.

1562 . Q What was his opinion of the statements, of their
1563 credibility?
1564 . A I don't think he believed them either. But we had

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1565 to verify it one way or the other.

1566 . Q Did Mark Richard indicate that he was going to

1567 report this to anyone?

1568 . A No.

1569 . Q Clear it with anybody?

1570 . A No.

1571 . Q Did he give you the opposite impression?

1572 . A No. It was just that I said I was going to do

1573 this. He didn't say no.

1574 . Q Did he indicate he would send copies of the

1575 affidavits to anyone?

1576 . A No.

1577 . Q Before you left to see Mr. Richard, when you first

1578 told Jeff Feldman not to do anything on the case, do you

1579 recall saying anything else to him at that time?

1580 . A Yes. It was politics.

1581 . Q That was the reason to hold off?

1582 . A Yes. Because of the things that were going to

1583 senators and the things being said about senators in those

1584 telexes--in those affidavits. It had come in just two days

1585 before I was leaving.

1586 . Q What were you afraid he would do?

1587 . A Nothing.

1588 . Q Then why tell him to hold off?

1589 . A I wanted--just because I wanted to check this out

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1590 and I wanted that done first because it was a logical step
1591 to me.

1592 . Q You didn't explain to him, though, at the time what
1593 "politics" meant?

1594 . A No.

1595 . Q Did these letters, the affidavits, come to you
1596 directly?

1597 . A Yes. By certified mail, I believe. There was a
1598 cover letter to me, a cover letter without an address, I
1599 believe, to Senator Lugar, and there is a cover letter to
1600 Senator Warren Rudman. I am not sure whether that had an
1601 address on it. It was a thick document and it was in an
1602 envelope from Costa Rica. At least it was purportedly from
1603 Costa Rica. It had a Costa Rica address on it, and I
1604 believe it had Costa Rican stamps on it.

1605 . Q Do you normally get all mail addressed to you?

1606 . A No.

1607 . Q Why did this go to you, as opposed to someone who
1608 would have had the case?

1609 . A Because it was certified, I believe. It was a
1610 certified letter.

1611 . Q Did you have to sign for it?

1612 . A No. Somebody brought it in to me.

1613 . Q So all letters addressed to the U.S. Attorney that
1614 are certified go to you?

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1615 . . A No. There is no specific rule about that. I must
1616 say that when there is a certified letter that is addressed
1617 to me, it comes to me. I don't know of any case that it
1618 hasn't. Obviously I wouldn't--it just wouldn't come to me.
1619 Generally that would happen.

1620 . Q Okay.

1621 . A Something to do with DHL.

1622 . Q All DHL letters that are addressed to you?

1623 . A When it is on DHL, it comes to me.

1624 . Q Do you have those letters in your notebook?

1625 . A I have them here, yes.

1626 . Q May we see them?

1627 . A Yes. I don't see why not. That is not part of
1628 anything.

1629 . Q If it helps you, I have already seen them in the
1630 Department of Justice.

1631 . A Okay.

1632 . MS. NAUGHTON: The reporter asked for a five-minute
1633 break.

1634 . [Recess]

1635 . BY MS. NAUGHTON:

1636 . Q We are back on the record.

1637 . Mr. Kallner, when you refer to serious allegations
1638 made against Senator Kerry in these letters, can you tell us
1639 specifically what allegations you were concerned about?

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1640 . . A That what I recollected of it, they said they were
1641 paying witnesses to lie. That bothered me.

1642 . . Q Do you recall whether those allegations were Mr.
1643 Hull's letters or in the affidavits?

1644 . . A I don't recollect. All I remember is it was in
1645 there. It bothered me.

1646 . . Q I refer to Mr. Hull's letter of August 8, 1986, to
1647 Mr. Rudman, the second page, the last paragraph, which makes
1648 some mention of Democratic funds. Is that the passage to
1649 which you refer?

1650 . . A Well, I said I don't at this point in time
1651 recollect exactly what is in the affidavits, but that is
1652 what struck out--those issues were the things that concerned
1653 me. Where he said he had been given money by the U.S.
1654 senator, both he and Steven Carr.

1655 . . . When I receive an allegation like that, it would
1656 impact on the investigation. Also, quite frankly, I did not
1657 believe it.

1658 . . Q You knew Mr. Hull to be a target of the
1659 investigation Mr. Feldman was conducting?

1660 . . A I knew Mr. Hull was involved, yes.

1661 . . Q Who else did you see at the Department of Justice
1662 on this trip?

1663 . . A The following day I saw Arnold Burns.

1664 . . Q Why did you see Mr. Burns?

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1665 . A Resources. That was the purpose of the trip.
1666 . Q To get more resources?
1667 . A Yes.
1668 . Q Was there any discussion of this case?
1669 . A No.
1670 . Q Did you see anybody else at the Department of
1671 Justice on that trip?
1672 . A It is not on my calendar, I don't believe--I had
1673 gone to New Orleans first. I had gone to New Orleans to
1674 appear before a judge on another case involving a witness of
1675 ours.
1676 . The only one I have down is Mark Richard. I
1677 probably had lunch with--I usually see Charlie Blau when I
1678 come up on narcotics matters.
1679 . Q Do you recall what time of day you met with Mr.
1680 Richard?
1681 . A Yes. It is on my calendar. September 3 at 1230.
1682 . Q Was anyone else present?
1683 . A No.
1684 . Q When you brought the affidavits and letters back to
1685 Mr. Feldman, did you tell him what to do with his results?
1686 In other words, was he to report to you?
1687 . A It was implied he would tell me. I told him two
1688 things when I returned. I gave him the memos. I said I
1689 want you to do legal research on the issue that has been

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1690 | troubling us, because before we go with any case I want to
1691 | make sure the Neutrality Act applies, and I said I want you
1692 | to check out the truth that was--of the statements contained
1693 | in those affidavits.

1694 | Subsequently he came back and said that it was
1695 | his--after discussion with as many people as he could
1696 | contact, that they weren't true.

1697 | Q Did they admit to writing them?

1698 | A What I recollect of him telling me is that they had
1699 | written affidavits but there were additions to the
1700 | affidavits and that at least in one case the signature was
1701 | not accurate. That is what I recollect.

1702 | I also believe he said to me that even if they
1703 | didn't write it, independently of that, it wasn't true. In
1704 | other words, not only did they not write some of these
1705 | statements, but it was not factually true in any event.

1706 | Q Did he tell you the source of that information?

1707 | A Yes. He said it was the people who were named as
1708 | the affiants.

1709 | Q Did they say why they wrote it, then?

1710 | A I believe that at least one of the persons--and I
1711 | don't recollect which one--said he wrote it because that was
1712 | a way to get out of Costa Rica. That is vague. All I was
1713 | satisfied with was that it wasn't true.

1714 | Q Was there ever any discussion at this or any point

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1715 | to call the agency to find out if indeed John Hull was an
1716 | operative there?

1717 | . A Not for me.

1718 | . Q Do you recall anybody else mentioning it?

1719 | . A No. But for some reason I have a recollection that
1720 | he wasn't or was told that he wasn't.

1721 | . Q From your meeting with Mr. Richard until the FBI--I
1722 | guess you got the FBI memo before your meeting with Mr.
1723 | Richard?

1724 | . A That's right.

1725 | . Q Did you give him the FBI memo?

1726 | . A No.

1727 | . Q After the FBI memo is received and you have Mr.
1728 | Gragorie review it, send it to Mr. Feldman, what comes next
1729 | concerning your involvement with the case?

1730 | . A What goes on at that point, I know that I had a
1731 | number of conversations with people in the Department from
1732 | Public Integrity and from the Criminal Division about the
1733 | case.

1734 | . All of this has to do with the issue of a special
1735 | prosecutor. There also comes a point--

1736 | . Q Now wait. So we have it clear, is this the special
1737 | prosecutor that was called for after the Hasenfus crash?

1738 | . A Yes.

1739 | . Q Not the Judge Walsh inquiry? I want to make a

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1740 distinction.

1741 . A I don't know the distinction. We are talking about

1742 December.

1743 . Q Well, Mr. Jarrett and Mr. Martin came down to Miami

1744 on October 30.

1745 . A Right.

1746 . Q To conduct their interviews?

1747 . A Yes. I have that in my calendar.

1748 . Q At that time, of course, there was no Iranian

1749 independent counsel, no one knew about the Iranian arms

1750 shipments?

1751 . A That's right.

1752 . Q So I want to separate in your mind the two

1753 independent counsel requests. There is an independent

1754 counsel request after the Hasenfus crash on October 4th or

1755 5th?

1756 . A Yes.

1757 . Q When he goes down?

1758 . A Okay.

1759 . Q That Marshall Jarrett and Mr. Martin are

1760 conducting.

1761 . A Okay.

1762 . Q Can you tell me about those negotiations?

1763 . A Those?

1764 . Q Discussions.

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1765 . A They came down and said it was their responsibility
 1766 to look at all the cases involving the contras. We had ^{one} ~~was~~.
 1767 I said fine. I put them in contact with Jeff Feldman.
 1768 . Q When they came to you, did they know of a specific
 1769 case?
 1770 . A Yes. Yes.
 1771 . Q Do you know how they were made aware of that?
 1772 . A No.
 1773 . Q Had you responded to an inquiry from Justice asking
 1774 for all information regarding contra cases?
 1775 . A There was a telex that came down. I called--it came
 1776 down from, I think--came down from the Criminal Division. I
 1777 am certain I spoke to somebody up there and said you already
 1778 gave a memo that details at least through May, June,
 1779 exactly what was going on in my case.
 1780 . The telex that I recollect had to do--they were
 1781 trying to find out what cases there were. They already knew
 1782 about my case because I had previously sent the memo. I
 1783 either called Chuck Saphos, who I know because he worked in
 1784 my office, or Mark Richard, and said you already know about
 1785 my case.
 1786 . Q Is that the only way you responded to that then?
 1787 . A Yes.
 1788 . Q You didn't respond by teletype?
 1789 . A We may have and I don't recollect. I had the

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1790 impression that the telex was trying to find out things that
1791 they didn't know. I knew that they knew about this.
1792 . Q When Mr. Jarrett and Mr. Martin arrived, did they
1793 interview you or speak with you?
1794 . A Yes.
1795 . Q Did they ask you about the allegations regarding
1796 the slowing down of the investigation?
1797 . A No. I am not sure that had surfaced yet.
1798 . Q Did you speak to Mr. Jarrett and Mr. Martin
1799 together?
1800 . A I recollect, yes, together. I don't believe it was
1801 very long.
1802 . Q Do you recall who else was there?
1803 . A No.
1804 . Q Did you send them to Mr. Feldman?
1805 . A Yes.
1806 . Q Had they already seen him?
1807 . A No. I believe I sent them to Mr. Feldman. I think
1808 they saw me first. And since I wouldn't have had the
1809 specifics, I would have sent them to Jeff for anything that
1810 they needed with respect to the case.
1811 . Q Now the OPR investigation--I may be jumping
1812 ahead--but when did that commence?
1813 . A There were a number. The first one--the first one
1814 was when the allegations came out by John Mattes and Ralph

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1815 Anastri that Jeff Feldman told them in March of '86 that the
1816 Department of Justice was not going to investigate this
1817 case. I called for that investigation.
1818 . Q So you started that investigation?
1819 . A Yes. Well, I didn't start it. I wanted it done.
1820 . Q Do you know who initiated it?
1821 . A I'm sorry.
1822 . Q Do you know who initiated the investigation?
1823 . A I don't know what you mean by "initiated."
1824 . Q How does OPR find out about it?
1825 . A I call and tell them.
1826 . Q Did they complete their inquiry?
1827 . A They told me they had.
1828 . Q Did you ever see a final report?
1829 . A No.
1830 . Q No letter or anything?
1831 . A No.
1832 . Q Did you talk to Mr. Sheehan?
1833 . A Yes.
1834 . Q Did you ask him what the status of that was?
1835 . A Yes.
1836 . Q What was his response?
1837 . A It was concluded but because of new allegations
1838 that came--were coming out in the Village Voice, the special
1839 prosecutor wanted to go over the whole thing again, at least

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1840 other parts of it.

1841 . So rather than issue piecemeal, they held up. That
1842 is what they told me.

1843 . Q So when you refer to special prosecutor now, we are
1844 referring to Judge Walsh?

1845 . A That's right.

1846 . Q What I am confused about is you said that it was
1847 initially over the Mattes allegation that Feldman said that
1848 DOJ was not going to prosecute, right?

1849 . A Not going to go forward. I believe that was the
1850 first--it was my practice, and it is my practice, whenever
1851 there is an allegation against an assistant or the U.S.
1852 Attorney--which hasn't happened that often except in this
1853 matter--that no matter what I believe about that allegation,
1854 I send it to OPR, that is how they find out, irrespective of
1855 what that allegation is.

1856 . It is my position that OPR investigate everything,
1857 any allegation. So whatever allegation there was, I sent up
1858 there immediately.

1859 . Q Were there any other allegations that were sent to
1860 OPR either by you or anyone else?

1861 . A Yes. Every time there was an allegation made--for
1862 example, there was an allegation made that on April 4 I
1863 received a call from the Attorney General to can any
1864 indictments. I sent that up.

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1865 . . . When there was an allegation--this allegation I sent
 1866 up.

1867 . Q To can an indictment--that is not--
 1868 . A Can four indictments, in this case.
 1869 . Q In this case?
 1870 . A Yes.
 1871 . Q Okay.

1872 . A It was always this case. We haven't had any
 1873 allegations except in this case.

1874 . Q Any others that you sent to OPR?
 1875 . A I don't recollect any.

1876 . Q What was your position regarding giving the case
 1877 over to the independent counsel?

1878 . A I was of two minds. Quite frankly, initially I
 1879 wanted to keep it. I wanted to keep it because by that time
 1880 there had been allegations made that I had delayed it and
 1881 that I was submarining the investigation and the only--I felt
 1882 that I had to complete it to show that it wasn't true. But
 1883 on the other hand, I felt I was also in a no-win situation,
 1884 because no matter what I did--because I knew what was in the
 1885 investigation. No matter what was going to come out of
 1886 this, it was not what people expected, based upon what I
 1887 understood of the facts.

1888 . . . When I--there were six tons of weapons, there were
 1889 massive amounts of money, none of which, at least as I saw

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1890 in the investigation, was true. If I came down with an
1891 investigation, came down with an indictment alleging that
1892 twelve guns were shipped out of the Southern District of
1893 Florida, which probably are shipped out--I have more gun
1894 cases than any place else in the United States, I have more
1895 gun cases than most circuits--that it will again look like I
1896 had covered up.

1897 . So quite frankly I felt I was in a no-win
1898 situation. But I felt I had started this and I was going to
1899 conclude it and it was my job and, if they want to say I
1900 covered it up, that's terrific, but I was going to do my
1901 investigation.

1902 . Q Okay.

1903 . A I had discussions with the Department on that.

1904 . Q So your ultimate recommendation was to keep the
1905 case?

1906 . A No. Ultimately in the discussions with my own
1907 people and the Department, it was agreed there was a no-win
1908 situation on this and they were going to recommend it.

1909 . Q Going to recommend what?

1910 . A To Walsh that they take it over, because it was
1911 felt that with the cloud hanging over me and the Department
1912 in this affair, the only way it could come out is by giving
1913 it to the special prosecutor. I was not happy with that
1914 decision, but I understood it.

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1915 . . . Q And obviously he decided not to take it, or at
1916 least the substantive phase of it, shall we say?
1917 . A He decided not to take it, that's right.
1918 . Q When did you receive that notification?
1919 . A Sometime in January, because there were three
1920 requests that I am aware of, or two requests that I am aware
1921 of. First it was included in the list--and this is--I am
1922 being told this; I did not see the documents until sometime
1923 afterward. There was a list of a number of cases that were
1924 given to him. There were discussions.
1925 . He came back and said I'm taking 10, 14, 33, and
1926 not taking whatever the numbers were. My case was one of
1927 the numbers that he refused to take. The Department wrote
1928 another letter to him, asking to take it. They sent me a
1929 draft. I had problems with the draft.
1930 . Q Why?
1931 . A Because I was always--I was always of two minds. On
1932 the one hand, I wanted to complete this. On the other hand,
1933 I recognized no matter what I did, I was going to be
1934 criticized. I felt a strong obligation and a belief that I
1935 had to vindicate my integrity, which has been impugned here,
1936 and it was always those two countervailing factors, that if
1937 I took it away, if it was taken away from me, it looked like
1938 I don't have the integrity to conclude this sensitive
1939 investigation. I didn't like that because I did and I do.

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1940 . . . On the other hand, I always saw the problem, the
1941 political problem, which I have always tried to avoid, but I
1942 wanted to get it done. I also felt he had the opportunity.
1943 He reviewed the facts. I was concerned that by the
1944 Department asking again, it looked like the Department
1945 didn't believe me and the Department impugned my integrity.
1946 I didn't like that either.

1947 . . . It looked like because of what had happened with
1948 the--what I believe to be spurious allegations, they were in
1949 some sense accepting, and I didn't like that either,
1950 irrespective they sent the letter. It was rejected again.

1951 . Q At the Department who were these conversations
1952 with?

1953 . A A variety of different people. I believe I spoke
1954 to Steve Trott, James Knapp.

1955 . . . It always had to do with my personal integrity.

1956 . Q Did you speak to Bill Hendrix?

1957 . A I don't recollect.

1958 . Q How about Mr. Wald?

1959 . A I spoke to Mr. Wald about this. I probably spoke
1960 to Bill Hendrix. I spoke to a whole variety of people,
1961 because I was not happy with any impugning of my integrity.
1962 I felt this whole process was doing that.

1963 . Q Did you speak to anybody on Walsh's staff?

1964 . A No.

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1965 . Q So all your communication with them was through
1966 Main Justice?
1967 . A That's right. I never spoke to anybody on Walsh's
1968 staff.
1969 . Q Let me go back to December 31st. I believe there is
1970 a meeting between you and Mr. Sharf, Mr. Gregorie, regarding
1971 some FOIA requests from a San Francisco TV or radio station?
1972 . A I have that on my calendar. I don't recollect what
1973 the discussion was. I thought it had to do with something
1974 else.
1975 . Q With what?
1976 . A I thought it had to do with whether or not we were
1977 required to stop the investigation, that we could not do
1978 anything because I know that was discussed at the time
1979 period.
1980 . Q You mean until an independent counsel was
1981 appointed?
1982 . A No. Until it was determined whether or not--well,
1983 one was appointed and, two, that he would take this case.
1984 That had to do with one of the sections of the statute,
1985 independent counsel statute, which says the Department can't
1986 do anything on a case.
1987 . Q Was anything else discussed at that meeting?
1988 . A As I said, I don't recollect the meeting at all.
1989 . Q Is there any other meeting or any other incident

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1990 relevant to this investigation that we haven't covered? I
1991 want to move on to another topic. I want you to think
1992 carefully.

1993 . A I believe that this entire process where I have
1994 been accused is politically motivated. I believe that there
1995 has--for some reason I have been picked on to do this in
1996 order to do something which I am not aware of why.

1997 . Whenever I have provided information, for example,
1998 about the allegations to anybody, about allegations--for
1999 example, the Mattes allegations--no one has ever asked me
2000 about it. No one has asked me or Jeff Feldman what happened
2001 at that meeting, what discussions were held, what was the
2002 motivation. That concerns me.

2003 . That is really--I can't think of anything else.

2004 . Q Do you feel like, so far as this subject matter is
2005 concerned, that we have covered those things?

2006 . A No, you haven't.

2007 . Q All right. What meetings are you referring to that
2008 we haven't discussed?

2009 . A Well, for example, Mattes makes the allegation that
2010 Jeff Feldman told him to slow down. You did not ask me did
2011 I ever tell Jeff Feldman to tell him that. The answer to
2012 that is no.

2013 . You haven't asked me about, for example, there is
2014 an allegation that--a new allegation that on May 20 I

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2015 received a call from somebody, either Trett or Jansen, to
 2016 change my recommendation or change the decision from going
 2017 to a grand jury and not continuing the investigation without
 2018 a grand jury. No one has ever talked to me about that. No
 2019 one ever asked me. No one ever knew what I was doing. No
 2020 one ever knew I was preparing a memo because it was my call.
 2021 It was my choice and my office's choice.

2022 This investigation was conducted, whether rightly
 2023 or wrongly, by my office in the way we thought proper and
 2024 there was never any pressure or any discussion from anybody,
 2025 be it the Attorney General or anybody else, on how to
 2026 conduct this investigation.

2027 Q Were you interviewed by Judge Walsh's staff?

2028 A Yes.

2029 Q When was that?

2030 A Oh, it was any number of times fairly recently.

2031 Q After the Village Voice article came out?

2032 A Yes. One of them. That's another question you
 2033 never asked me.

2034 Q What?

2035 A Did I make up the plot to assassinate me.

2036 Q Was there a plot to assassinate you?

2037 A Yes, there was. It was alleged that I made it up
 2038 to avoid testifying.

2039 Q At our hearings?

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2040 . A No. It just said before Congressional committees.
2041 . Q It didn't specify which.
2042 . A I knew what it was. It was in Fort Lauderdale.
2043 They wouldn't specify because it had nothing to do with this
2044 issue. The Village Voice said I made up an alleged
2045 assassination attempt against me.
2046 . Q Was this a threat that you had received?
2047 . A No. It came through a confidential informant in
2048 Colombia.
2049 . Q So it wasn't a threat, it was--
2050 . A It was intelligence information that there was an
2051 assassination team being sent to Miami to kill me.
2052 . Q Is this in connection with the drug case?
2053 . A Yes.
2054 . Q Drug activity generally?
2055 . A Yes.
2056 . Q And did you not testify at this hearing?
2057 . A Well, what happened was the marshals, at their
2058 recommendation, since the information we had at the time was
2059 that they were prepared to use large rockets to kill me, was
2060 that I leave town and that I go to a secure location with my
2061 wife.
2062 . Q Yes.
2063 . A Which we did. The issue that was addressed at that
2064 hearing was forfeiture. The allegation that was in the

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2065 Village Voice was that it had to do with the contra matter.
2066 . Q The issue was forfeitures?
2067 . A Yes.
2068 . Q Who was conducting the hearing?
2069 . A Congressman Hughes. I spoke to him directly about
2070 it.
2071 . Q What did he say?
2072 . A Fine. Sorry to hear about the information.
2073 . Q Did you talk to him before the hearing or after the
2074 hearing?
2075 . A Before the hearing.
2076 . Q Did he excuse you from attendance?
2077 . A Oh, sure.
2078 . Q Was there anything you were asked or that you said
2079 to the investigators from Mr. Walsh's staff that we haven't
2080 covered here?
2081 . A I don't recollect it.
2082 . Q Did you provide any documents that are not
2083 reflected in your calendars or your notebook?
2084 . A Yes.
2085 . Q What--
2086 . A We haven't yet. They have asked for--they have
2087 asked for our case file.
2088 . Q The substantive case file?
2089 . A Yes.

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2090 . . 2 If I could move on to another subject, the SAT
2091 investigation--
2092 . . A Southern Air Transport?
2093 . . 2 Yes.
2094 . . Were you aware that either Customs or FBI or both
2095 were undertaking investigations after the Hasenfus crash?
2096 . . A Yes. I came to a point where I was aware of the
2097 Southern Air Transport investigation by Customs.
2098 . . 2 Can you recall how that came about?
2099 . . A Yes. One of my assistants was assigned to it.
2100 Actually not by me. It came through normal channels.
2101 Richard Scruggs came down and showed me a copy of a Customs
2102 report on the case and said it hadn't been referred here but
2103 they were intending to refer it to our office.
2104 . . 2 Do you recall when this was?
2105 . . A Sometime in November.
2106 . . 2 This was before the Iranian story broke, or after?
2107 . . A Before. It was before.
2108 . . 2 So it would have been very early November?
2109 . . A It was before.
2110 . . 2 And what happened?
2111 . . A Well, nothing. It was for my information.
2112 . . 2 Okay.
2113 . . A Because it hadn't been referred to our office,
2114 there was nothing for us to do. There came a point where

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2115 they did send it over.

2116 . Q That was in December?

2117 . A I don't recollect if it was in December or not.

2118 Could have been late November.

2119 . Q Were you aware of the issuance of any grand jury

2120 subpoenas?

2121 . A Yes. Yes.

2122 . Q Can you tell me how you became aware of that?

2123 . A He told me he was going to do it.

2124 . Q When he first told you about the case, or later

2125 when it got referred?

2126 . A Later, when it got referred.

2127 . Q Okay. Did he?

2128 . A Yes.

2129 . Q Was that called back or modified in any way?

2130 . A It was called back.

2131 . Q How was that done?

2132 . A Larry Sharf came in and said it was probably

2133 violating the law for us to issue the subpoena.

2134 . Q Why?

2135 . A Because of the special counsel.

2136 . Q Okay. So this was about mid-December or something?

2137 . A It must have been. It had to do with the special

2138 counsel. He showed me the statute that says you couldn't do

2139 anything. I believe we were also called by the Department

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2140 to do it also.

2141 . Q Okay.

2142 . A It had to do with the fact that you can't do

2143 anything with a case that is intended to be turned over to

2144 the special counsel.

2145 . Q Then taking it back a step from the time of the

2146 Hasenfus crash the first week in October, were you aware of

2147 any investigation, either begun by Customs or the FBI,

2148 regarding that incident?

2149 . A No. I became aware I think the second week in

2150 October that they had gone--the FBI had gone out to Southern

2151 Air. The reason I found out about it, it was in the

2152 newspaper.

2153 . Q Did you ask the FBI about it or find out more about

2154 the case?

2155 . A No.

2156 . Q Did they consult you on it?

2157 . A No. They may have consulted one of my assistants,

2158 but they did not consult me.

2159 . Q You have no doubt seen or heard reports or watched

2160 Judge Webster's testimony in which there is indication where

2161 eventually he was told to slow down that investigation

2162 pending the Iranian flight.

2163 . What can you tell us about that, if anything?

2164 . A Nothing. The FBI case was never referred to our

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2165 office. The only investigation that was was Southern
2166 Air--was the Customs Southern Air case, and all I had was the
2167 report that Customs gave me and the statement--Richard
2168 Scruggs showed it to me and said it hadn't been referred
2169 yet, just wanted to let you know it was coming in, it was
2170 another one of these contra things. I said fine.
2171 . When it came in, a grand jury subpoena was issued,
2172 and then it was called back.
2173 . Q Do you recall who from the Department of Justice
2174 called that back?
2175 . A No. It wasn't a call to me either.
2176 . Q Was it a call to Sharf?
2177 . A It could have been. It was a call to somebody at
2178 the senior level about the fact that the subpoena may
2179 violate the law because we are not supposed to be doing
2180 that.
2181 . Q Did Mr. Scruggs tell you that Customs had been
2182 asked to hold back or to modify the investigation at all?
2183 . A No.
2184 . Q Was he unaware of that?
2185 . A I can't answer that.
2186 . Q Have you discussed it since with him?
2187 . A I probably have and the answer is no, because I
2188 would have remembered it. Obviously if my assistant would
2189 have known about a hold-up, I would have remembered that. I

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2190 have no recollection of discussing the hold-up. The reason
2191 it would have stuck in my mind is that is what I am being
2192 accused of all the time. Certainly if it happened in my
2193 office, I would have been very attuned to it.

2194 . Q I assume the Customs case was accepted by the
2195 independent counsel?

2196 . A Yes. He accepted that case.

2197 . Q Were there any other cases referred to your office
2198 other than the two we discussed?

2199 . A No. There is only one case.

2200 . Q That were referred, though?

2201 . A That's right. Only one case was referred.

2202 . Q What about the investigation?

2203 . A You mean the Southern Air?

2204 . Q No. Southern Air/Customs is sent to IC.

2205 . A That's right.

2206 . Q IC turns down--

2207 . A Our case.

2208 . Q --your contra case?

2209 . A That's right.

2210 . Q Were there any others that were even sent on the
2211 list for consideration?

2212 . A No. No.

2213 . Q Do you know Carl Spitz Channell?

2214 . A What do you mean by do I know him? Do I know of

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2215 | him?

2216 | . Q Other than media reports, do you know him?

2217 | . A No.

2218 | . Q Have you ever heard anyone discuss him, outside of

2219 | media reports?

2220 | . A No.

2221 | . Q What about International Business Communications?

2222 | . A No.

2223 | . Q Were you ever asked to donate to them?

2224 | . A No.

2225 | . Q What about Richard Miller, do you know of him?

2226 | . A No. I don't know who he is.

2227 | . Q What about Ellen Garwood, do you know her?

2228 | . A No.

2229 | . Q Do you know of a business called Major Ray's?

2230 | . A How do you spell it?

2231 | . Q R-a-y.

2232 | . A No.

2233 | . Q Do you know Bill Langton?

2234 | . A No.

2235 | . Q Jim Bastian?

2236 | . A No.

2237 | . Q What about Robert Dutton?

2238 | . A No.

2239 | . Q Richard Gadd?

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2240 . A No. Again--you know, without context, I have a
2241 problem.

2242 . Q Yes. What I am asking is have you either spoken
2243 to, met these people or heard of them in your business or
2244 professional capacity, other than in the media account?

2245 . A Well, the difficulty is I can tell you that I
2246 haven't spoken to these people that I am aware of. But with
2247 respect to whether or not I have investigated them, there
2248 would have to be other contexts. I don't--I know that I
2249 don't know them in those capacities.

2250 . It may be if they are involved in something else
2251 where there is a corporation or something involved, I may
2252 know them in that capacity in terms of investigations.

2253 . Q I am just asking if these names ring bells.

2254 . A No, they don't ring bells.

2255 . Q Thomas Clines?

2256 . A Clines?

2257 . Q Clines.


2258 . A No.

2259 . Q Linda Chavez?

2260 . A No. The only thing that I have there, the reason I
2261 paused, was the union leader, Cesar Chavez.

2262 . Q No. This is a candidate for office in Maryland.

2263 . A No.

2264 . Q 

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2265 . A [REDACTED]

2266 . Q Dewey Clarridge?

2267 . A No.

2268 . Q Stanley SporKin?

2269 . A Yes.

2270 . Q How do you know Mr. SporKin?

2271 . A I know Mr. SporKin because of my work in private

2272 practice.

2273 . Q You had a civil case together?

2274 . A Stanley SporKin was chief of SEC enforcement. My

2275 firm was appointed counsel to the liquidators of the dollar

2276 funds which was controlled by IOS, which was controlled by

2277 Robert Vesco.

2278 . I was appointed--my firm was appointed

2279 liquidators--counsel to the liquidators--court-appointed

2280 Luxembourg liquidators of one of nine dollar funds, which

2281 was the mutual funds.

2282 . Stanley SporKin was involved in that very heavily

2283 because of their lawsuit in 1972 against Robert Vesco. That

2284 is how I know him.

2285 . Q Had you had any contact with him since he went to

2286 the CIA?

2287 . A No.

2288 . Q What about Richard--I asked you about Richard

2289 Miller, right?

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2290 . A Yes.

2291 . Q H. Ross Perot?

2292 . A I know who he is.

2293 . Q That's it?

2294 . A Yes.

2295 . Q Buzz Sawyer?

2296 . A No.

2297 . Q Richard Secord?

2298 . A I know who he is.

2299 . Q But did you know who he was before the Iranian

2300 story broke?

2301 . A No--yes, I did. I am sorry. I did know.

2302 . Q How?

2303 . A Because of the Martha Honey lawsuit. I read the

2304 names on the list. Obviously his name was on the list.

2305 . Q He was a named defendant?

2306 . A He was a named defendant. That's how I remember.

2307 . Q Ted Shackley?

2308 . A His name is also on there as a defendant.

2309 . Q John Singlaub?

2310 . A His name is also a defendant.

2311 . Q Do you know him through any other context?

2312 . A No.

2313 . Q Faith Ryan Whittlesey?

2314 . A Say that again.

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2315 . Q Faith Ryan Whittlesey?
2316 . A No.
2317 . Q William Cooper?
2318 . A No.
2319 . Q Charlie Allen?
2320 . A Is that the Charlie Allen--the investment banker in
2321 New York?
2322 . Q No.
2323 . A No.
2324 . Q Elliott Abrams?
2325 . A Yes.
2326 . Q In what context?
2327 . A I know Elliott Abrams is an Assistant Secretary of
2328 State.
2329 . Q Have you ever met him?
2330 . A No.
2331 . Q Ever spoken to him?
2332 . A No.
2333 . Q Ever had any correspondence regarding him?
2334 . A No.
2335 . Q Other than knowing he is what he is, do you have
2336 any contact?
2337 . A What did he do before he was at that job?
2338 . Q He headed Human Rights.
2339 . A Before that?

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2340 . Q I don't know.

2341 . A Was he a professor?

2342 . Q Could have been at CSIS?

2343 . A Where?

2344 . Q Georgetown, Center for Strategic Studies.

2345 . A I don't know why I always thought he was a

2346 professor at Harvard Law School.

2347 . Q I don't know.

2348 . A How old is he?

2349 . Q 40s.

2350 . A No, it couldn't have been. It had to be somebody

2351 different. It is somebody--I always thought the name was

2352 from law school. That was a professor. That is who I

2353 thought it was.

2354 . MS. NAUGHTON: I will hand it over to my colleague.

2355 . EXAMINATION ON BEHALF OF SENATE COMMITTEE

2356 . BY MR. MCGOUGH:

2357 . Q My questions are going to be follow-up. I will go

2358 through my notes as they arise. If I jar you around a

2359 little bit, timewise, just let me know. Try to stay with

2360 me.

2361 . You mentioned that perhaps one of your earliest

2362 contacts with Mr. Richard over the contra investigation

2363 arose out of a letter that may have been received by both of

2364 you from Garcia's wife? It was directed to the Court.

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2365 . . A It wasn't a 'may.' I received the letter. I
2366 have a very distinct recollection of receiving it from Judge
2367 Atkins.
2368 . . Q Apparently Richard also got a copy of the letter
2369 somehow?
2370 . . A Yes.
2371 . . Q What did the letter involve?
2372 . . A Well, it was allegations that Mrs. Garcia's husband
2373 was being railroaded and the reason he was being railroaded,
2374 he had information about an attempted assassination plot of
2375 Ambassador Tambs and a plot to blow up certain embassies in
2376 Latin America, Central America, and I believe it also talked
2377 about a million dollar payment from Jorge Achoa.
2378 . . Q Was that the first contact you had with anyone from
2379 the Department of Justice about the--over the Garcia case?
2380 . . A It was the first time I ever knew about the Garcia
2381 case.
2382 . . Q What was Richard's interest in the matter?
2383 . . A He asked what was going on, what was it about.
2384 . . Q Did he indicate to you how he got the letter?
2385 . . A No. He never--I must say he never indicated to me
2386 he got the letter. I knew he knew the information because
2387 he asked me about it.
2388 . . Q What exactly is his position within the Department
2389 of Justice?

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2390 . . A Deputy Assistant Attorney General in the Criminal
2391 Division.

2392 . . Q Does he have any specific responsibilities other
2393 than backing up the Assistant Attorney General?

2394 . . A Yes. I believe that he is--one thing I know he is
2395 responsible for is the Office of International Affairs. But
2396 quite frankly, I think that is why--I think at that point I
2397 assumed that's why this came under his jurisdiction, because
2398 it was an international matter. I wasn't surprised to
2399 receive a phone call from him.

2400 . . Q Moving a little bit ahead, Mr. Feldman went
2401 to--after he returned from speaking to Mr. Terrell in New
2402 Orleans, there was some discussion and ultimately you told
2403 him or at the same time you told him to go to Costa Rica and
2404 check out some of the allegations that were being bandied
2405 about?

2406 . . A Right.

2407 . . Q At that time did you believe it was an
2408 assassination case or a gun running case or both?

2409 . . A Both.

2410 . . Q At that time were you aware of any involvement or
2411 any alleged involvement by Government officials?

2412 . . A Jack Terrell was saying he was paid by the CIA and
2413 there was a story about he being asked to infiltrate the
2414 CIA. That was part of the conversation, that Jack Terrell

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2415 told my assistant.

2416 . Q Was that one of the allegations you felt was worth
2417 following up or did you dismiss that as being incredible?

2418 . A I didn't focus on it. I wasn't sure what the
2419 violation was, even if he was doing anything. My concerns
2420 at that point were the two major--the three actually, that we
2421 were being used by three concerns: one, that we were being
2422 used and we had a bogus case, which bothered me; two, that
2423 there was an assassination plot and an attempt to bomb our
2424 embassies; three, gun running, six tons or huge amounts of
2425 weapons coming out of South Florida.

2426 . Q Were you concerned about governmental involvement
2427 in that gun running at that point?

2428 . A No. No.

2429 . Q You didn't view that as a significant--at least at
2430 that point--a significant aspect of the investigation?

2431 . A I am not sure I even knew there was any allegation
2432 that any government agency was involved with that particular
2433 gun running.

2434 . Q After Mr. Feldman returned from Costa Rica, you had
2435 a meeting at which it was you and he, Ms. Barnett, Mr. Sharf
2436 and Mr. Gregorie?

2437 . A Right.

2438 . Q Can you tell me as to the latter--the last three,
2439 what each one's position is in the office and why they were

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2440 present?

2441 . A Now or then?

2442 . Q Then. At the time of the meeting and why each one
2443 was present at the meeting.

2444 . A Dick Gregorie, chief of Criminal; Larry Sharf, my
2445 special counsel; Ana Barnett, my executive assistant.

2446 . Q I can understand chief of Criminal. Why were Mr.
2447 Sharf and Ms. Barnett included in the meeting?

2448 . A Because I trust their judgment.

2449 . Q Were they--

2450 . A And they have a lot of experience--Ana not so much
2451 in the criminal side, but Larry Sharf has been a career
2452 prosecutor. That's the reason. I very often have meetings
2453 in a variety of different cases and call those people in.

2454 . Q So you had them there more for their judgment than
2455 for their organizational responsibilities?

2456 . A Yes.

2457 . Q Do you frequently call that collection of people
2458 together--

2459 . A Yes.

2460 . Q --to discuss matters?

2461 . A Yes.

2462 . Q Are there any--I am trying to get a picture of how
2463 you are organized. You mentioned one other name at one
2464 point.

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2465 . A Joe McSorley.

2466 . Q What was his position?

2467 . A He was chief assistant.

2468 . Q Is there anyone else that you might usually include

2469 in such meetings?

2470 . A Yes.

2471 . Q Who is that?

2472 . A Linda Hertz.

2473 . Q H-e-r-t-z?

2474 . A Right.

2475 . Q What is her position?

2476 . A She is chief of my appellate unit.

2477 . Q Was there any reason why she or Mr. McSorley were

2478 not present at that meeting?

2479 . A Linda Hertz was on sabbatical at that time.

2480 . Q Mr. McSorley?

2481 . A I don't believe he was available.

2482 . Q How often do you talk to Mr. Jensen or Mr. Trott,

2483 or did you at that time talk to Mr. Jensen or Mr. Trott?

2484 . A Often. Trott not that often; Jensen, often.

2485 . Q Once a week?

2486 . A Depends. In March of '86 we had just--we were in

2487 the process of arresting that minister, head of the Army of

2488 ~~Switzerland~~. A lot of communication concerning that. So it

2489 depended upon specific types of matters.

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2490 . . . We have a lot of cases that have international
2491 notoriety and those types of instances I would speak to him.
2492 . Q How about Mr. Trott? How many times would you have
2493 spoken to him?
2494 . A When Mr. Jensen was there?
2495 . Q Yes.
2496 . A Not often, if at all. There were some, but not
2497 very--not on any kind of frequent basis.
2498 . Q Do you ever recall discussing the Garcia contra
2499 case with Mr. Jensen?
2500 . A Not specifically, but I assume that I did.
2501 . Q Can you give me a context that might have led you
2502 to do that?
2503 . A Because I felt that it was a case that was
2504 sensitive. I talked to him about those sensitive cases and,
2505 therefore, would have done it. But I don't have a specific
2506 recollection. When they call, they discuss a specific case.
2507 . I will say not only that, but we are still going
2508 forward on that one.
2509 . Q Did you ever recall Mr. Jensen inquiring
2510 specifically about that one?
2511 . A No.
2512 . Q How about Mr. Trott, do you have any recollection
2513 of discussing this case with Mr. Trott?
2514 . A Not at all. I don't believe I ever discussed this

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2515 case with Mr. Trott.

2516 . Q Mr. Laiwant?

2517 . A Laiwant.

2518 . Q Is he in your appellate section?

2519 . A Yes.

2520 . Q How long has he been with the office?

2521 . A About a year and a half, two.

2522 . Q You mentioned that he came to you and said he was

2523 the person--

2524 . A He went to Ms. Barnett and Mr. Gregoria.

2525 . Q And indicated he was the source of the story about

2526 the call from Jensen and Trott?

2527 . A Right.

2528 . Q To your knowledge, is there any reason why Mr.

2529 Laiwant would falsify that story?

2530 . A No.

2531 . Q You have no--do you have any reason to believe that

2532 he is politically inclined or politically motivated?

2533 . A I don't ask people about that. It is none of my

2534 business.

2535 . Q I understand you may not ask them.

2536 . To your knowledge, there is no reason to believe he

2537 is politically motivated?

2538 . A No. He said that he was a friend of John Mattes.

2539 . Q Do you know that to be true?

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2540 . . A He said it.

2541 . . Q Said that to whom?

2542 . . A I think he said that to Ana Barnett. He said he

2543 disclosed these communications, what we were doing on the

2544 case, to John Mattes. He mentioned it to him.

2545 . . Q Did you consider that a breach of office

2546 confidence?

2547 . . A I believe that is an ethical breach, yes.

2548 . . Q Have you taken any steps regarding that?

2549 . . A No.

2550 . . Q Have you spoken to him about it?

2551 . . A No.

2552 . . Q Have you had any of your associates speak to him

2553 about it?

2554 . . A No.

2555 . . Q Have you attempted to isolate him in any way or

2556 otherwise prevent a recurrence of that breach?

2557 . . A No.

2558 . . Q In the meeting following Mr. Feldman's return from

2559 Costa Rica, you said you began to consider the Boland

2560 amendment?

2561 . . A That's right.

2562 . . Q You considered it worthy at least of having someone

2563 go out and try to find exactly what the Boland amendment

2564 was?

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2565 . . . A That's right.

2566 . Q Then is it fair to assume that at that point you

2567 began to at least suspect some involvement by some

2568 Government official in some aspect?

2569 . A We had allegations. We were looking at those

2570 things, the same way we looked at the Neutrality Act. We

2571 came back, we had--Jeff came back. We heard these things.

2572 We were looking at possible violations.

2573 . Q Do you recall who the Government officials were

2574 that you were discussing as being involved?

2575 . A No. We were looking at the Boland amendment. In

2576 part we were looking at the Boland amendment because of the

2577 Neutrality Act, because we had a big difficulty with it. We

2578 still do.

2579 . I do not--at that point in time the Neutrality Act

2580 says that it is illegal to begin--to set afoot a military

2581 enterprise against a country we were at peace with. The

2582 problem that we have in the case--and, quite frankly, it is

2583 one of the problems that continues--is how do we say we are

2584 at peace with ~~the country~~ when this Congress and the

2585 Administration have provided money, have provided arms and

2586 have said that they support the ~~country~~.

2587 . Q I understand.

2588 . A That is a concern.

2589 . The Boland amendment had to do with that. The

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2590 Boland amendment cut off the aid. That's what we are
2591 looking at.

2592 . Q I understand. The Boland amendment and the
2593 Neutrality Act actually are different sides of the same
2594 coin. The Boland amendment--the Neutrality Act covers
2595 private contracts and the Boland amendment imposed
2596 restrictions upon the use of Government funds and Government
2597 involvement in Nicaragua; is that fair to say?

2598 . A Oh, yes. At that point what we were looking at
2599 again was preliminary. We had just got--Jeff had just gotten
2600 back. We were looking at the whole thing. We didn't even
2601 know what the Boland amendment was at that point in time.

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2602 RPTS DINKEL

2603 DCMN LYNN

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2604 . There were concerns raised. What we were doing
2605 was brainstorming at that point.

2606 . 2 Can we agree that some of the concerns raised were
2607 concerns over possible involvement of government--United
2608 States Government officials in the activities under
2609 investigation?

2610 . A Yes.

2611 . 2 And do you recall the concerns being raised in
2612 connection with Colonel Oliver North?

2613 . A No.

2614 . 2 Do you recall mention of the National Security
2615 Council?

2616 . A I recall mention of the National Security Council.

2617 . 2 Do you recall Mr. Feldman relating to you an
2618 incident that occurred in Costa Rica when he was talking to

2619 [REDACTED] I believe, [REDACTED] about Colonel

2620 North [REDACTED] to him, "Do you know who

2621 Colonel North is? He's the man who introduced me to Ronald

2622 Reagan a few weeks ago."

2623 . A I do not recollect that.

2624 . 2 Did you instruct Mr. Feldman or did you or anyone
2625 in your office take any steps to check the allegations
2626 upward in the government; that is, contact people in the

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2627 Department of Justice to find out what they--what staffing of
2628 the National Security Council was making an attempt to have
2629 some contact in Washington to find out whether there, in
2630 fact, was involvement by the NSC?

2631 . A I did not give specific instructions to them.

2632 . Q Was that one area of the investigation that was
2633 discussed, that is, the Washington level?

2634 . A Not really. Again, we were looking primarily at
2635 the two things: the gun running out of South Florida and
2636 the assassination attempts, and the investigation was that
2637 at its inception.

2638 . Q We can agree that at least at that meeting there
2639 was a Washington connection discussed; that is, the NSC?

2640 . A Yes.

2641 . Q Did you discuss the use of the grand jury at that
2642 meeting? Did you discuss issuing subpoenas or finding bank
2643 records, anything like that?

2644 . A No. Not at the April meeting. The April meeting
2645 was simply a status conference, status report on what we had
2646 found and that the investigation was continuing and that he
2647 was going to continue the investigation.

2648 . Q In any discussion you might have had with Mr.
2649 Richard or Mr. Jensen, Mr. Trott or the Attorney General,
2650 did the names of Oliver North or the National Security
2651 Council ever come up?

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2652 . A No.

2653 . Q Did you ever alert any of those people to the

2654 possible involvement of the National Security Council in any

2655 aspect of that investigation?

2656 . A Other than what was contained in the memo that we

2657 sent up, no.

2658 . Q I believe you said no one to the best of your

2659 knowledge ever followed up on that memorandum with you, just

2660 called to ask questions about it?

2661 . A From the department.

2662 . Q From main Justice?

2663 . A No.

2664 . Q Have you on other occasions sent memoranda to main

2665 Justice similar to the one you sent in this case? In other

2666 words, let me clarify that by saying it's not an action

2667 memorandum, it's just a for your information, here is what

2668 we are doing in this case sort of memorandum.

2669 . A Yes.

2670 . Q Can you give me an estimate of how many times?

2671 . A No. I can only think of one off the top of my

2672 head.

2673 . Q What kind of case was that?

2674 . A It was a fraud against the government case.

2675 . Q To whom was that memorandum directed?

2676 . A The discussions in the memorandum went to Vickie

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2677 ^{Tee} Tunsing.

2678 . Q Why was the memorandum submitted to Ms. Tunsing?

2679 . A She asked about it, about the case.

2680 . Q She asked for a memorandum?

2681 . A She asked for a status report on the case.

2682 . Q Did Mr. Richard ever ask you specifically for a

2683 status report?

2684 . A No.

2685 . Q In this case?

2686 . A No.

2687 . Q Can we agree that this--at least to the best of

2688 your recollection this is the only case you can recall where

2689 you sent an unsolicited status report to main Justice?

2690 . A Yes. I explained why.

2691 . Q Sure. I think you did in the course of Ms.

2692 Naughton's questioning. I thought you said, "May I explain

2693 why."

2694 . A I explained why.

2695 . Q Do you want to add anything to that explanation?

2696 I do not want to cut you off.

2697 . A No.

2698 . Q Let's go to the May 20 meeting.

2699 . A Yes.

2700 . Q Prior to that meeting, you and Mr. Feldman had

2701 both--had concurred that there was sufficient evidence to

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2702 issue grand jury subpoenas?

2703 . A I had written that in the draft that it was a

2704 review of the draft. I had written that if it was going up

2705 that way, it was going to include the fact that I agreed.

2706 . Q But is it fair to say when you wrote that on Mr.

2707 Feldman's draft you at that time based on that memorandum

2708 concurred with his recommendation?

2709 . A Yes.

2710 . Q Present at that meeting were Mr. Gregory^{ie}, Mr.

2711 Sharf, Ms. Barnett; is that right?

2712 . A And Mr. Feldman.

2713 . Q And Mr. Feldman, I am sorry.

2714 . A Yes.

2715 . Q Who was it who opposed the grand jury?

2716 . A I think it was unanimous.

2717 . Q Who was it who opposed it initially?

2718 . A I do not recollect.

2719 . Q I am not--

2720 . A That is a little hard.

2721 . Q We have five people at a meeting. Going in the

2722 door of the meeting, two of the people, yourself and Mr.

2723 Feldman, have already at least tentatively concurred in a

2724 decision that a grand jury is appropriate.

2725 . A It was Sharf and Gregory^{ie} who are my most

2726 experienced prosecutors, with a lot of experience, who felt

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2727 the information was not sufficient. It was those two.

2728 . Q So if there was an initiate to wait on the grand
2729 jury, it would have come from Mr. Sharf and Mr. Gregory^{ic} and
2730 spread to the rest of the group, to a consensus?

2731 . A Yes. There is a newspaper report that Mr. Gregory^{ic}
2732 says he did it. I do not think that's accurate. I do not
2733 think that--as I said, it was a consensus, started by those
2734 two.

2735 . Q Was there any thought given to the time it might
2736 take to get compliance with records subpoenas?

2737 . A No.

2738 . Q It's common, is it not, in investigations of this
2739 kind ^{to} get your records subpoenas out fairly early in the
2740 investigation to allow time for compliance and analysis?

2741 . A You can't make a general statement like that. A
2742 lot of times that's not accurate. Especially in--when you
2743 are going for bank records. Very often that's the last
2744 thing to do because of the concerns of leaks. That's
2745 dealing with money laundering investigations. Why I am
2746 addressing that is I know what we did in a particular case
2747 where we indicted two weeks ago where we were concerned
2748 about it.

2749 . Q Were there concerns with leaks to the account
2750 holders in this case?

2751 . A I can't answer that specifically.

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2752 . Q Well, just what I am saying is, were there
2753 concerns with leaks in this particular case? I recognize
2754 there are some cases where there are concerns with leaks.
2755 . A I can't answer that question. It's too--I just
2756 simply can't answer it. There were a lot of things
2757 discussed. I have no independent recollection of that.
2758 . Q I do not want you to misunderstand me. My
2759 curiosity here--I am trying to figure out why subpoenas
2760 weren't issued for bank records, what reasons there were for
2761 not issuing them. In the memorandum that went out to
2762 Justice, one of the reasons given was to avoid casting
2763 aspersions on innocent people or something to that. Let's
2764 take that as one reason. Were there other reasons you are
2765 aware not to issue the bank subpoenas?
2766 . A I do not recollect any. That doesn't mean there
2767 weren't any. I just don't recollect any discussion on that
2768 point.
2769 . Q To the best of your knowledge, there is nothing
2770 reflected in the memoranda or the drafts of the memoranda?
2771 . A I do not believe so.
2772 . Q Let me back up a little bit. When Mr. Feldman
2773 came back from New Orleans, having talked to Terrell, is it
2774 fair to say he was excited about the case, psyched up about
2775 the case?
2776 . A That's fair to say.

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2777 . 2 Is it also fair to say that after his meeting with
2778 you one of the things you tried to do was get him to focus a
2779 little better on exactly what the case was about and settled
2780 him down a little bit?

2781 . A Yes.

2782 . 2 And is it also fair to say when he came back from
2783 Costa Rica and his experience with Ambassador Tambs and the
2784 station chief, he was once again very excited and psyched up
2785 about the case?

2786 . A Yes.

2787 . 2 And is it also fair to say that one of the results
2788 of that meeting was to settle him down again and get him
2789 focused on--

2790 . A Focused on what the facts were and what we had.

2791 . 2 And he then went and wrote a memorandum
2792 recommending a grand jury, that grand jury subpoenas be
2793 issued; is that correct?

2794 . A Yes.

2795 . 2 And at least at one point going into the meeting,
2796 you initially concurred with it, but then coming out of the
2797 meeting decided not to do that?

2798 . A After a full discussion.

2799 . 2 Would it be fair to say that Mr. Feldman was
2800 disappointed with that decision?

2801 . A That's hard for me to characterize. He agreed

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2802 with it. I can't delve into what his feelings were.
2803 . Q Did you get the feeling that he might be
2804 uncomfortable with the recommendation that was being put in
2805 the memorandum?
2806 . A No.
2807 . Q You were aware that Mr. Sharf changed portions of
2808 the memorandum?
2809 . A Yes.
2810 . Q But you don't recall whether you ever--whether you
2811 brought that to Mr. Feldman's attention or not?
2812 . A No.
2813 . Q Given the fact that the memorandum was going to
2814 main Justice over Mr. Feldman's or under Mr. Feldman's name,
2815 did you give any consideration to running it by him one more
2816 time before sending it out?
2817 . A No. The reason was I wanted to get it up here as
2818 quickly as I possibly could.
2819 . Q What caused that impetus?
2820 . A Well, in part it goes back to the fact that in
2821 early May, they made a statement there was no investigation.
2822 I was intent on getting them all the information we had. I
2823 wanted it out.
2824 . Q The memorandum or at least the idea for the
2825 memorandum goes back to that first meeting when you returned
2826 from Costa Rica, is that right?

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2827 . A That's right.

2828 . Q Am I right that that's sometime perhaps in early
2829 April of '86?

2830 . A That's right.

2831 . Q The memorandum then goes through several drafts?

2832 . A Yes.

2833 . Q Until--all the way through May of '86?

2834 . A Yes.

2835 . Q The allegations take place--the allegations, the
2836 statement by DOJ there was no investigation took place as
2837 best you recollect early May of '86?

2838 . A That's right.

2839 . Q Approximately a month after that, on June 3 of
2840 1986, the memo goes out over your signature or by cover
2841 letter?

2842 . A That's right.

2843 . Q Was there anything that occurred between early May
2844 and when the DOJ allegations or DOJ statement was made and
2845 June 3 that added impetus or such impetus to getting this
2846 memorandum out that it wasn't possible or it didn't occur to
2847 you to run this by Mr. Feldman again?

2848 . A No.

2849 . Q Were you aware when you sent it out that Mr.
2850 Feldman had not seen it after Mr. Sharif's changes?

2851 . A I do not recollect that. It was on my desk from

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2852 Mr. Sharf. I am not sure I was aware that Feldman had not
2853 seen it, the changes.

2854 . Q The memo from Gregory^{ie} to you, this is after the
2855 prosecution report, is dated October 5, 1986, I believe?

2856 . A Yes.

2857 . Q Do you recall how long you had that memo before
2858 you approved it?

2859 . A No.

2860 . Q Did you handle it in the regular course as you
2861 would any other memorandum?

2862 . A Yes.

2863 . Q Could the delay have been as long as a month
2864 between the time Mr. Gregory^{ie} sent the memorandum and your
2865 final approval?

2866 . A Yes.

2867 . Q Do you recall seeing it and setting it aside to
2868 consider or did it just not rise to the top of the pile for
2869 a month?

2870 . A It did not rise to the top of the pile. I do not
2871 recollect seeing it.

2872 . Q I believe you said that when Nasenfus went down at
2873 that point you actually made an effort to go out and find
2874 the memorandum that Mr. Gregory^{ie} had written?

2875 . A I thought it had to do with that. Quite frankly,
2876 it can't. It was the wrong timing. I know that I was

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2877 reading articles and that made me go out and look for it in
2878 my pile.
2879 . Q Do you recall holding the memorandum for a period
2880 of time after examining it?
2881 . A No.
2882 . Q Do you recall acting on the memorandum as soon as
2883 you saw it?
2884 . A Yes.
2885 . Q Do you know whether Mr. Gregory^{ie}--do you know
2886 whether Mr. Gregory^{ie} delivered it to you on the 6th and it
2887 sat on your desk for that period of time or whether he
2888 didn't get it to you until that time, until early November?
2889 . A I don't. I don't know when it was delivered to my
2890 desk. He did not bring it in personally. It was probably
2891 in interoffice mail.
2892 . Q Is it--would you find it surprising that you would
2893 not see a piece of interoffice mail for two or three weeks
2894 after it was routed to you?
2895 . A No. Especially when we are dealing with other
2896 things at that point.
2897 . Q When the Nasenfus plane went down, what was it
2898 about the facts that came out or the allegations that came
2899 out that caught your eye at that time?
2900 . A Nothing in particular. Just the fact that the
2901 plane went down.

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2902 . Q You were aware by that time, were you not, that
2903 there was some kind of private supply network to the
2904 contras?

2905 . A I knew there were allegations. I knew there was
2906 allegations in May because of the Martha Honey lawsuit.

2907 . Q You also knew that they were obtaining supplies
2908 and arms from somewhere, did you not?

2909 . A You mean did I receive information in my official
2910 capacity?

2911 . Q Or in your unofficial capacity.

2912 . A Only what I read in the newspaper.

2913 . Q I guess what I am trying to isolate is what it was
2914 about the Hasenfus incident that you found surprising?

2915 . A Nothing was surprising. It just focused me on
2916 something I had to do, that I had in the office. There were
2917 other things that were going on and are continually going
2918 on. It just jogged me.

2919 . Q Moving on to your trip to D.C., was your only
2920 purpose on the trip to D.C. to visit Mr. Burns on resources?
2921 Was there any other purpose to the trip?

2922 . A No.

2923 . Q There was no other purpose?

2924 . A There was no other purpose.

2925 . Q When did you schedule your meeting with Mr.
2926 Richard?

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2927 . . A Probably--I wouldn't have scheduled it. I would
2928 have had my secretary call and say I am going to be in
2929 Washington on a particular date, see if Mark Richard can see
2930 me.

2931 . . Q Would that meeting have been scheduled to discuss
2932 these letters?

2933 . . A I asked to see him. My secretary made the
2934 appointment. I had two reasons for going.

2935 . . Q Those being what?

2936 . . A One was the affidavits. The other was the memos I
2937 wanted on the Neutrality Act.

2938 . . Q The way you describe the memo, the request for the
2939 memos, you just asked him, you said there's neutrality
2940 aspects to this case, do you have anything on it. Was there
2941 anything more to it than that?

2942 . . A No.

2943 . . Q So that by itself really wouldn't have required a
2944 meeting with him. You don't go--meet with a fellow just to
2945 ask him if he has something on the Neutrality Act?

2946 . . A If I was in Washington, I'd take ten minutes and
2947 get it and bring it back to me, instead of doing it through
2948 the mail and waiting a long time, sure.

2949 . . Q Do you know if you scheduled the meeting with Mr.
2950 Richard prior to receiving the letters and affidavits?

2951 . . A I don't know. I doubt it very much because

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2952 normally I would not set up a meeting that far in advance.
2953 . Q Other than Mr. Richard and Mr. Burns, did you meet
2954 with anybody else?
2955 . A In Washington?
2956 . Q In Washington.
2957 . A Yes.
2958 . Q Who?
2959 . A I met with Phil Brady.
2960 . Q Who is Phil Brady?
2961 . A Phil Brady works for the vice president.
2962 . Q What was the subject of that meeting other than
2963 Mr. Brady--can I assume you didn't discuss pending
2964 investigations with Mr. Brady?
2965 . A No.
2966 . Q You didn't discuss them?
2967 . A No. Let me say it. I did not discuss anything
2968 involving pending investigations with Mr. Phil Brady. I
2969 discussed one thing with him. That was resources. There
2970 were new numbers out, statistics that I wanted to give him.
2971 . Q Mr. Brady, Mr. Richard, Mr. Burns. Did you meet
2972 with anyone else?
2973 . A As I said, I probably met with Charlie Blau.
2974 . Q Who is Mr. Blau?
2975 . A He works for Steve Trott, involved with narcotics.
2976 I regularly see him about a variety of problems.

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2977 . Q You did mention that. What was it about the
2978 allegations against Senator Kerry that led you to consult
2979 with Mr. Richard that hadn't sparked a similar sort of
2980 consultation when the NSC's name popped up in the
2981 investigation?

2982 . A It was specifically accusing somebody of paying
2983 off a lie.

2984 . Q Was it just the type of allegation that was
2985 concerned?

2986 . A Yes.

2987 . Q Did you consider that a more serious allegation
2988 than operating a private supply network to a private army?

2989 . A I didn't make a distinction.

2990 . Q I guess what I am saying is when the allegations
2991 came in and affidavits against Senator Kerry, your first
2992 thought was to hold it very closely until you had a chance
2993 to check with Mr. Richard. Yet you had a different reaction
2994 when the name of the National Security Council came up in
2995 the course of investigation. You really didn't turn to
2996 Washington at all on that aspect at the time of the
2997 investigation?

2998 . A That's right. I never discussed that, except
2999 putting it in the memo. Whatever happened, happened.

3000 . Q I guess my question is why did you go to Richard
3001 right away with the Kerry allegations as opposed to going to

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3002 Richard right away with the MSC allegation?

3003 . A The other one had to do--we were still questioning

3004 whether or not there was a crime involved in what they were

3005 doing. This one was clear to me.

3006 . Q What was clear to you, that there was a crime?

3007 . A This was an allegation of a crime. The other one,

3008 there were a lot of other discussions, a lot of other

3009 factors involved such as the Boland amendment. That's what

3010 we were looking at. That's why it didn't strike out at me

3011 that I didn't immediately run to Washington with it.

3012 . MR. MCGOUGH: I think that's all I have.

3013 . Is there anything I asked you, Mr. Kellner, you

3014 feel you didn't have a chance to respond to? I don't want

3015 you walking away feeling we haven't given you a chance.

3016 . THE WITNESS: No, not really. You have given me

3017 the opportunity.

3018 . MS. NAUGHTON: I have a couple of other questions.

3019 . BY MS. NAUGHTON:

3020 . Q Have you ever spoken to Brad Reynolds?

3021 . A Yes.

3022 . Q Do you recall when?

3023 . A Yes. U.S. Attorneys' conference in Arizona.

3024 . Q The recent one?

3025 . A Yes.

3026 . Q Any time before that?

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3027 . A No.

3028 . Q Did you discuss this at all?

3029 . A No.

3030 . Q What about Hayden Gregory? Had you discussed this

3031 with him fairly recently?

3032 . A Yes.

3033 . Q Where was that?

3034 . A He was in my office.

3035 . Q If I could direct your attention to the memo

3036 of--well, they are all of May 14, but the final version.

3037 . A Yes.

3038 . Q Could you tell me where you mention the National

3039 Security Council?

3040 . A Page 12, footnote nine.

3041 . Q Are you referring to the remark about another U.S.

3042 agency?

3043 . A No. In April of 1985 Hull allegedly told Stephen

3044 Carr that the National Security Council provided him \$10,000

3045 a month to support contra operations in Costa Rica.

3046 . Q Do you know whether footnote nine was edited at

3047 all by Mr. Sharf?

3048 . A No, I don't.

3049 . MS. NAUGHTON: Those are all the questions I have.

3050 . BY MR. McGOUGH:

3051 . Q At the time, let's say in the spring of 1985, did

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3052 the name Oliver North mean anything to you?

3053 . A No.

3054 . Q Had you been following at all press reports

3055 regarding alleged U.S. involvement in supplying the contras?

3056 . A I was reading the stories.

3057 . Q Do you recall--the next question would be do you

3058 recall seeing his name in the context of the stories, but I

3059 suppose the answer is no.

3060 . A The answer is no. The name did not mean anything

3061 to me at the time.

3062 . MR. McGOUGH: Okay.

3063 . BY MR. FLYNN:

3064 . Q With regard to the delay in the sentence of Mr.

3065 Garcia, was this done just once or--

3066 . A A number of times.

3067 . Q The information he was giving you, you considered

3068 pretty good?

3069 . A Ultimately, no.

3070 . Q Did he tell you about this case or related cases?

3071 . A Well, he was the one who provided the initial

3072 allegations about--strike that. He didn't provide anything

3073 to me. It was to Feldman.

3074 . Q To Feldman?

3075 . A There was a variety of things he was saying. One,

3076 he was entrapped. He was entrapped because he had this

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3077 information about the assassination plots, and other things
3078 such as the bombing, the gun running, and one of the things
3079 they did. I was aware of it afterwards. I wasn't kept
3080 apprised of it. He was given a lie detector test, which
3081 proved, I believe, inconclusive. Irrespective, he said that
3082 from what I recollect, from what Jeff Feldman told me, he
3083 said that the person who knew everything was Jack Terrell.
3084 . Q You spoke to the Attorney General when he came to
3085 Florida in April of last year?
3086 . A Right.
3087 . Q Said you had a two-minute discussion?
3088 . A Right.
3089 . Q This was the only contact you had with the
3090 Attorney General personally between April of last year and I
3091 am talking now up to the first week in December of '86; is
3092 that right, on this matter?
3093 . A Oh, yes.
3094 . Q None of his subordinates spoke to you about this
3095 particular case with regard to any kind of a delay or
3096 anything like that?
3097 . A Who is his subordinates? Strike that. With
3098 respect to delay, no one. The problem I had is that I
3099 assume anybody in the department is his subordinate.
3100 Obviously, I spoke to Mark Richard, Lowell Jensen. They are
3101 his subordinates. I spoke to them.

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3102 . 2 None of these people told you to delay the case?

3103 . 1 No one ever told me to delay the case. No one

3104 ever gave me any direction on this case in any way, shape or

3105 form.

3106 . 2 No one at main Justice said anything to anybody in

3107 your office about doing that either?

3108 . 1 Not to my knowledge.

3109 . 2 Okay.

3110 . 1 No one reported to me that somebody called and

3111 said, listen, I got a call from Justice, I want to delay

3112 this case.

3113 . 2 When you went to see Mr. Richard about the

3114 affidavits, and you made the comment to Mr. Feldman that you

3115 were going to go up to main Justice, from the time that you

3116 got back to the U.S. Eastern District, what is the time

3117 span?

3118 . 1 About four days.

3119 . 2 Four days.

3120 . 1 Four or five days.

3121 . MR. FLYNN: That's it.

3122 . MS. NAUGHTON: Okay.

3123 . BY MS. WESTBY:

3124 . 2 You mentioned regarding this phone call from David

3125 Laiwant with regard to that phone call he said that a

3126 congressional staffer had called him. What's the time

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3127 frame?

3128 . A When did this occur?

3129 . Q Yes.

3130 . A I'd say four to five weeks ago.

3131 . MS. WESTBY: I think everybody else has covered

3132 everything.

3133 . MS. MAUGHTON: Okay. Thank you for staying.

3134 . For the record, so you can tell OLA, we are going

3135 to be requesting these documents you brought. I think Kim

3136 Allen already knows that.

3137 . THE WITNESS: I have already asked him to deliver

3138 it.

3139 . [Whereupon, at 5:45 p.m., the deposition

3140 concluded.]

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[2:00 p.m.]

H51 TS-76

DEPOSITION OF JOHN H. KELLY

Wednesday, June 10, 1987

U.S. House of Representatives

Select Committee to Investigate Covert
Arms Transactions with Iran,

Washington, D.C.

The deposition convened at 2:00 p.m., in Room H-328,
The Capitol.

Present: Ken Ballen, Staff Counsel, Timothy E. Traylor,
Investigator, and Robert W. Genzman, Associate Minority
Counsel, Select Committee to Investigate Covert Arms
Transactions with Iran; and Terry Smiljanich, Associate Counsel,
Senate Select Committee on Secret Military Assistance to Iran
and the Nicaraguan Opposition.

Partially Declassified/Released on Dec 21 1987
under provisions of E.O. 12355
by Sirko, National Security Council

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2

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALEN:

Q Would you state your full name for the record?

A My name is John H. Kelly.

Q What is your current position?

A I am the American Ambassador in Beirut, Lebanon.

Q How long have you held that post?

A Since August 1985.

Q Let me put something on the record.

Neal Eggleston of our staff spoke to your attorney, Henry Fry. I understand that he is not accompanying you today and that you have agreed on your own; correct?

A Yes.

Q However, pursuant to our discussions with Mr. Fry, at any point during this deposition, if you wish to contact him, you may. If you wish to call him on the phone, we will recess the deposition.

If you wish not to answer a particular question without consulting with him, just so state or if you wish to stop the deposition at any point in order to reconvene it with him present, you should do so.

Is that clear?

A Thank you, yes.

May I ask a procedural question -- can we go off the record at some point?

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1 Q Yes, if at any point you want to go off the record,
2 indicate and we will go off the record.

3 You have been U.S. Ambassador to Lebanon since
4 August of 1986?

5 A That is right.

6 Q What position did you hold prior to that time?

7 A The last position I had immediately prior was as a
8 consultant to the Under Secretary for Management at the
9 Department of State.

10 In the preceding five years, I held other positions
11 in Washington.

12 Q Are you a Foreign Service Officer?

13 A I am a career Foreign Service Officer. I entered in
14 1964, served two posts in Turkey, two posts in Thailand. I
15 then did five years in Washington, then was assigned to
16 France, returned to the U.S. in 1980, and was posted in
17 Washington until 1986, when I went to Beirut.

18 Q How did you happen to be chosen or volunteer for
19 this assignment -- drafted, I don't know what word is
20 appropriate?

21 A In 1985, several senior officials of the Department
22 asked me if I would think about whether I would accept the
23 position if it was offered to me, whether I wanted my name to
24 be put on the so-called short list. I thought about it and
25 decided that I would be happy to have my name put on the list.

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1 I am divorced, my son is grown, so I have an
2 advantage that many of my colleagues don't have of being
3 relatively free of family responsibilities. It is a challeng-
4 ing assignment.

5 I thought that it was something worthwhile doing.

6 Q What I would like to do at this point is based on
7 your chronology, and you can use that as a guide if you want
8 to, to hear from you briefly, going through it, what your
9 involvement was in terms of the issue at hand, which is the
10 release of Jacobsen and possibly other hostages that occurred
11 in the fall of 1986, starting with your first meeting with the
12 Secretary in July and take us through that, and once you have
13 done that, we will just go back over and ask you some ques-
14 tions.

15 A Fine.

16 As it is outlined here --

17 Q Maybe I can help you a little bit. On July 31st,
18 you met with the Secretary?

19 A Yes.

20 Q Had you been appointed ambassador at that time?

21 A I had not yet been confirmed. My appointment was
22 pending Senate confirmation. The Secretary was about to leave
23 for several weeks of vacation and travel outside of Washington

24 Normally, I would not have requested what you might
25 refer to as a farewell discussion with him prior to my

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1 confirmation, but knowing that he was going to be absent and
2 that the Senate was going to recess in mid-August, I asked to
3 see him on the assumption that things would break out and I
4 might be off before he returned to Washington.

5 Q Did you meet with him at that time?

6 A Yes, I met with him for 30 minutes on 31 July.

7 Q What was the discussion about?

8 A The discussion was about our objectives in Lebanon,
9 my responsibilities, security concerns there for the safety
10 of Americans assigned to the embassy.

11 I asked his advice on dealing with some of the
12 Lebanese political leaders whom he had gotten to know during
13 1982 and 1983 when he was intensively involved in trying to
14 negotiate a treaty between Lebanon and Israel.

15 Q Let me ask you this -- was there any discussion of
16 arms transfers to Iran?

17 A None whatsoever.

18 Q Was there any discussion concerning the hostages?

19 A I am sure there was. My memory is imprecise.
20 I think it was in general terms that the hostages are a matter
21 of concern to the government and to the people of the country,
22 and that as had my predecessor done, I should exert every
23 effort to produce information as to their well being or their
24 location and obviously work in any way that I could towards
25 their release.

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1 Q What -- this is kind of in the way of background,
2 out of chronological sequence, but what kind of staff do you
3 have at the embassy in Beirut?

4 A The number is not for publication



9 Q When were you confirmed by the Senate?

10 A August 16.

11 Q On August 8, you met with Robert McFarlane?

12 A Yes, I did.

13 Q How did that meeting come about?

14 A In the months before I left for Beirut, I made it a
15 point to try to meet a number of individuals in and out of
16 government who had prior experience in Lebanon.

17 McFarlane, whom I had known previously professional-
18 ly, had been the President's special negotiator in Lebanon
19 for a period of time in 1983 and 1984, and I was interested in
20 talking to him to get his views on Lebanon.

21 Q How had you known him previously?

22 A I first met McFarlane in the early seventies during
23 the Nixon Administration when I was working at the State
24 Department and he was working at the National Security Council
25 as assistant to Kissinger. I had come overseas in 1976 and

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1 in 1981 when the Reagan Administration came in, he was
2 appointed Counselor of the State Department initially under
3 Secretary Haig and I saw him frequently in 1981 when he was at
4 the State Department before he went to the NSC.

5 Q So you met with him because you knew of his
6 experience in Lebanon?

7 A That is right.

8 Q Dealing with Lebanon.

9 What happened in the course of that meeting?

10 A We had a general discussion --

11 Q No one had suggested you meet with McFarlane, this
12 was something you undertook at your own initiative?

13 A No one suggested I meet with him. He had
14 experience in Lebanon and I wanted his impressions. We
15 talked about the political mess in Lebanon and political
16 leaders.

17 At some point in the discussion, he told me that
18 even though he had left the government, he was still actively
19 involved in an effort to obtain the release of the American
20 hostages.

21 He told me that the operation or procedure
22 involved the provision of American weapons to the Government
23 of Iran.

24 He said that -- again, I am recalling out of a fuzzy
25 memory, I made no notes on this meeting. I recall him telling

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8

1 me that Secretary Shultz and other Cabinet members had
2 opposed such an arrangement, but that the President had
3 directed it and that even though he, McFarlane, had left the
4 government in the official sense, his position as National
5 Security Adviser, he was still actively involved in that
6 effort and had visited Tehran in the spring of the year.

7 Q Did he tell you that the purpose of the arms,
8 American arms to Iran, was in order to obtain the release of
9 the hostages?

10 A That is my recollection. I do not recall his
11 precise words, but that is my recollection.

12 Q Did he tell you anything about who was informed
13 of this operation, who could be informed?

14 A Only indirectly in that he said that Secretary
15 Shultz and other Cabinet members were aware of it and were
16 opposed to it.

17 Q Did he tell you anything about your potential
18 involvement in it?

19 A Yes. He said that knowledge of this operation
20 was restricted to a very small number of individuals, but
21 that if and when the effort bore fruit, I would probably
22 receive instructions from Poindexter, who had succeeded him
23 as National Security Adviser, through what is called a back
24 channel or a private channel, and that, therefore, I needed
25 to be aware that such an eventuality might come about.

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1 Q Did he tell you anything about who you were to
2 communicate with through that back channel?

3 A No. In the sense that he told me that I would be
4 the recipient of a communication, he didn't -- he didn't say
5 that I was to communicate with anybody. He said that
6 Poindexter would probably communicate with me.

7 Q After your meeting with McFarlane, did you meet
8 with anyone else from the White House staff?

9 A McFarlane, if my memory is correct, told me that
10 Oliver North was, if you will, the action officer at the
11 National Security Council staff for this matter, and I had
12 known, as was common knowledge, that Oliver North was the
13 person at the National Security Council who looked after
14 hostage matters.

15 I had sought a meeting with North --

16 Q Had you known North prior to this time?

17 A I had met North perhaps twice before that, probably
18 in 1982 or 1983, at meetings at the State Department, but I
19 can't say I knew him.

20 Q Okay.

21 A At any rate, I had sought a meeting with North.
22 I suspect even before I met McFarlane in that I had heard or
23 knew that North was the man at the National Security Council
24 who was involved in counterterrorism and hostages and since
25 Lebanon is rife with terrorism and the hostages would be there,

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1 he would be a logical person for me to meet with.

2 So I sought an appointment with him, I think, on a
3 couple of occasions, but never got an appointment with him.

4 Shortly after, a few days after I saw McFarlane,
5 it would have been on August 11, I was informed North was out
6 of town.

7 I had separately requested a meeting with a
8 gentleman named Dennis Ross, who is a Middle East specialist
9 at the National Security Council and I met with Ross and we
10 talked about Lebanon and policy in general terms.

11 At the meeting with Ross, Lieutenant Colonel
12 [REDACTED], whom I had not previously met or heard of, sat in
13 on my meeting with Ross.

14 Ross introduced me and said, "This is Ollie North's
15 Deputy, Bob Earl, who wants to sit in the meeting."

16 Ross and I talked about general Lebanese political
17 and security issues, did not touch on hostages in that meeting.

18 When I left Ross' office, Earl walked into the hall
19 way with me and we had a brief discussion in the hall.

20 He said to me something to the effect that "I under
21 stand Bud McFarlane has briefed you. Ollie is sorry he can't
22 meet with you, but he is out of town, but we will need your
23 help if and when any hostages are coming out and Poindexter
24 will look forward to your cooperation."

25 I don't think that conversation lasted more than two

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11

1 or three minutes and it was in the hallway and I said good bye
2 to him.

3 Q August 16th, you were confirmed by the Senate?

4 A Yes.

5 Q And when did you leave for Lebanon?

6 A I was sworn in as ambassador on August 18 and on
7 August 19, I left for Beirut.

8 Q Did you have any other contacts with any other
9 high-level officials in the government before you left?

10 A Before I left -- you mean particularly regarding
11 the Iran hostage thing?

12 Q Right, particularly regarding the hostages.

13 A I had no discussion about the Iran hostage thing
14 with anyone. McFarlane had told me it is a close-hold
15 operation, meaning the knowledge of its existence was limited
16 to a very small group of people, so I did not raise it with
17 anyone.

18 I did see other officials to discuss Lebanon,
19 but none of those discussions touched on the Iran hostage
20 business.

21 Q After arriving in Lebanon, when was the next you
22 had heard from anyone with regard to this?

23 A On October 30th.

24 Q What did you hear on October 30th and from whom?

25 A The first thing I heard was, I was having lunch

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1 with a couple of Lebanese army officers and during the lunch,
2 I got a call from my office saying, if my memory is correct,
3 that the White House had called and provided a phone number in
4 Germany and I was to call that number.

5 So I left -- I had left the luncheon table with the
6 two Lebanese officers, but I called that phone number in
7 Germany. I was to ask for an individual by the name of Mr.
8 Good.

9 I did not know who that individual was. I called
10 the number in Germany and Mr. Good was Oliver North.

11 Q What did he say?

12 A He spoke cryptically because it was an unsecure
13 line, but he said "You may be having visitors in the future.
14 You will be ^{hearing} ~~having~~ instructions. Get ready," or something like
15 that.

16 Q You didn't ask him any questions?

17 A No, because I assumed, as I assumed on any telephone
18 call in Beirut, that it is being monitored by forces
19 unfriendly to us.

20 So I didn't ask him for additional information.
21 I assumed that I would be getting additional information
22 either by secure telegram or secure telephone.

23 MR. BALLEEN: Let me mark this as Exhibit 1. It
24 should be in your package.

25

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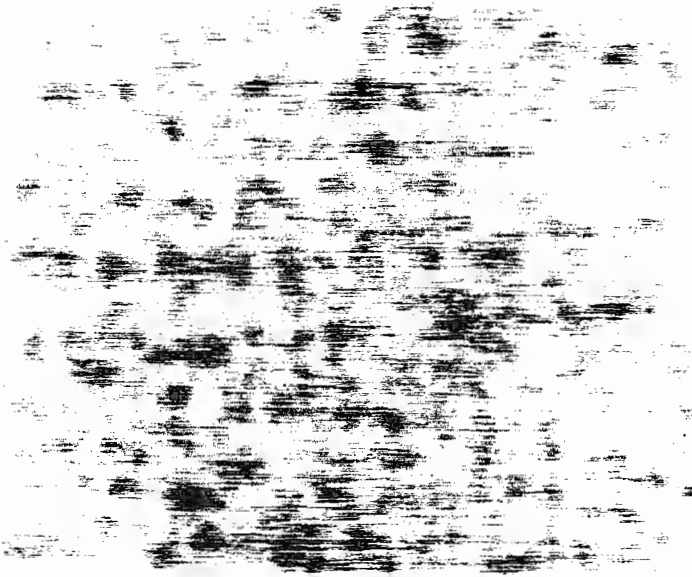
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13

[The document marked Exhibit No. 1 follows:]

* * * * * COMMITTEE INSERT * * * * *



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14

1 BY MR. BALLENG:

2 Q When, in relationship to the phone call with North,
3 did you receive that particular cable?

4 A Well, let's see -- on the cable, there was a mark in
5 the upper right-hand corner "TOR," which I believe means time
6 of receipt, which should be an indication what time the tele-
7 gram was received in Beirut.

8 It says [REDACTED] for Zulu, meaning [REDACTED] Greenwich
9 mean time. So, given that Beirut was then GMT plus two --
10 that doesn't sound right at all. The transmission was --

id ends/#1 11

im fls /#1a12

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1 Q Let me ask a different question. Do you recall
2 receiving that?

3 A Sure, I recall. It was within an hour or two after
4 I had the phone call.

5 Q That is good enough.

6 A Okay.

7 Q Who was the cable from, and what did it---

8 A The cable was from Admiral Poindexter addressed
9 to my eyes only, and you see the text of it before you,
10 indicating that probably two American hostages will be
11 released. ~~Clifford North and Richard Secord~~

12 ~~coming to Beirut, what would happen, and---~~

13 Q What essentially was? I understand you received
14 calls from Robert Ford and/or Craig, of the NSC staff
15 that day too?

16 A That is right.

17 Q Were they informing you generally the same?

18 A Yes, they were telling me the same thing that came
19 in the telegram, that North and Secord ~~coming into~~
20 ~~that evening and that I was to arrange~~
21 ~~helicopter transport for them to Beirut, that a hostage~~
22 ~~release was anticipated, that I should organize the logistical~~
23 ~~details necessary.~~

24 Q That was essentially your role to handle the
25 logistics of receiving the hostages ~~and~~

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jm 2

1 making sure they got out of Lebanon safely?

2 A That is correct.

3 Q In the cable Poindexter, Admiral Poindexter
4 communicates to you any developments on this matter of the
5 hostages should be sent only to me by this channel. It says,
6 flash precedents underneath.

7 What did you understand that to mean?

8 A Exactly what it says. That I was not to
9 communicate with any other entity of the U.S. Government
10 on this matter.

11 Q Including the State Department?

12 A Including the State Department.

13 Q Was that normal instructions?

14 A It was an unusual instruction, but not an unheard
15 of instruction.

16 Q In that situation, how could you respond to that
17 and, in fact, not communicate with the Department of State
18 and only with--

19 A Well, I know that in exceptional circumstances
20 communications of this type had been used in the past.

21 Q What kind of circumstances?

22 A In my earliest experience, both in Washington and
23 at some overseas posts, I had seen at various times, or
24 become privy to messages that were sent directly from the
25 White House through the National Security Advisor to an

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17

jm 3

1 ambassador or vice versa.

2 Q Where they instructed the ambassador not to
3 communicate with anyone but the National Security Adviser?

4 A That is right. But I assumed that the National
5 Security Adviser was keeping the Secretary of State informed.
6 As it turns out, that assumption was apparently correct.

7 Q What led you to assume that?

8 A Prior experience---

9 Q Prior experience with this National Security
10 Adviser or in general?

11 A , Not with this National Security Adviser, in
12 general, and perhaps a certain degree of naivety now, I mean
13 it appears to be naivety in retrospect, but I assumed that
14 since the release of hostages was going to be an event that
15 would attract great international attention, as it usually does,
16 that the National Security Adviser, that any National Security
17 Adviser would have told the Secretary of State that a release
18 was a possibility and that the National Security Adviser
19 was asking the ambassador in the particular country to handle
20 the logistics, and to protect the secrecy of the operation,
21 and that communications were going to and from him and to the
22 White House.

23 Q You said you were aware of other times in the past
24 where a National Security Adviser had instructed an ambassador
25 to communicate only to him. What were the instances?

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1 A Some from the Kissinger years.

2 Q What kind of things were involved?

3 A

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How did it strike you when you received it?

18

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A I wasn't surprised in that McFarlane had told me that such a possibility might occur, and secondly, if secrecy was required in that premature publicity might jeopardize the release of the hostages, the fewer the addressees, the fewer the copies of the message, the less likely that there might be an inadvertent disclosure.

Q Yet you assumed that the very top level that the National Security Adviser had informed the Secretary of State.

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19

1 A I did.

2 Q What was he asking you to do is not to go through
3 normal State Department channels but he wasn't telling you
4 that he wasn't informing someone on his level, in other words,
5 the Secretary of State?

6 A No. Clearly from the message traffic he didn't
7 inform me by message that I am keeping the Secretary of
8 State informed. I assumed that. However, as you may have
9 noted in my chronology in subsequent telephone conversations
10 I believe I was told by either Earl or Coy that the State
11 Department was being taken care of.

12 This I interpreted to mean that the proper senior
13 officials at the State Department were aware of what was
14 going on.

15 Q After receiving the message from Poindexter,
16 what step did you take at that point? Did you communicate
17 back to him?

18 A Yes. I sent him an answer which I think is in this
19 packet of materials. Yes. My answer is here.

20 Q Let me show you exhibit -- let's mark this
21 Exhibit 2.

22 (The following document was marked as Exhibit AK-2
23 for identification:)

24 COMMITTEE INSERT

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jm 6

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALLEEN:

Q I think this is your cable back, if I am not mistaken?

A That is correct.

That is my answering cable to Admiral Poindexter.

Q Why don't we go through that?

A Would you like to to read it into the record?

Q I will read it into the record line-by-line.
"All assets here will be put at disposal, Ollie and Dick."

Q How did you happen to refer to the people involved as Ollie and Dick? That indicates some familiarity?

A Well, in the case of Colonel North, most people referred to him as Ollie. In the case of General Secord, although I had not seen him in several years, I had previously known him.

Q How had you known him?

A I was assigned to the Pentagon in 1973, 1974, at that time General Secord also worked at the Pentagon in an office adjacent to mine, and I made his acquaintance then.

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Q Did you keep up with him in the intervening years?

A I probably saw him three or four times in 10 years.

Q This was a professional relationship?

A Yes.

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Pages 22 - 25

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jm 10

1 Q What was the result of this---

2 A [REDACTED]

3 [REDACTED] North and Secord only stayed for an hour or so,
4 and left again, and didn't leave my embassy, [REDACTED]

5 [REDACTED]

6 Q Did they come in a helicopter right over the
7 embassy?

8 A They came in helicopter, and landed within the
9 embassy area.

10 Q Were you advised in advance [REDACTED]
11 [REDACTED] by any communications [REDACTED]

12 A Oh, yes, sure.

13 Q When and how did that come about?

14 A [REDACTED]

15 [REDACTED]
16 [REDACTED] I had numerous secure
17 telephone conversations with Earl or Coy concerning when they
18 would arrive, the logistics and so on.

19 Q And you state in your chronology, and I wonder if
20 this is correct, that you were surprised that North and
21 party had arrived [REDACTED] and would arrive
22 in Beirut around 11:00 p.m. [REDACTED]

23 [REDACTED]
24 A That is correct.
25

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jm 11

1 Q And North made a secure call to the White House?

2 A That is correct.

3 Q How do you know that; he just told you that?

4 A Well, we were in my office and he said, where

5 can I call the White House on secure; and I said, you can

6 go [REDACTED] and they
7 will arrange it for you.

8 Q Who accompanied North and Second [REDACTED]

9 [REDACTED]

10 A Into Beirut; no one else. The helicopter crew
11 flew the bird, but did not get off the helicopter.

12 Q You met with him, had a discussion for about an
13 hour?

14 A Yes.

15 Q What was discussed during that hour?

16 A Maybe it will be a release of hostages in Damascus,
17 maybe it will be in Beirut, maybe it will be one hostage, maybe
18 it will be two hostages, maybe it will be all the hostages.
19 How are you going to handle them, what will you do if they
20 need medical care -- it was all logistics, basically.

21 Now, the two of them would pop in and out from
22 their various phone calls and one would say, well, [REDACTED]

23 [REDACTED] said such and such, that is [REDACTED] and I assumed

24 that the [REDACTED] they were referring to was the person

25 with whom they were negotiating [REDACTED] somewhere in

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jm 12

1 Europe and because I had telephoned North earlier that day
2 in Germany. But they at no time said to me, okay, Kelly,
3 here is where the negotiations stand, they are asking for
4 X and we are offering Y.

5 Q Did they ever tell you anything about the arms
6 going to Iran?

7 A No, at no point during that weekend did they
8 say we are shipping anything or anything like that.

9 Q They also -- did North give you any instructions
10 concerning who you should report to in the Department of
11 State?

12 A Well my recollection---

13 Q If anyone?

14 A My recollection was that North told me to continue
15 to communicate only with Poindexter via the so-called privacy
16 channel, or by some voice with Earl [unclear]. My
17 recollection is that North said after the
18 hostages are released, we have used to continue to use this
19 top secret privacy channel?

20 My recollection is that North said, no, once
21 they are out it is okay to use normal state channels.

22 Q [unclear] also stated in your chronology that this was --
23 that North implied to you that this was on the order of
24 the President? What is your recollection of that?

25 A I can't be much more precise than that, other than

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1 to mention a telegram which is in this package that North
2 sent from my embassy, that I think, while he was there.

3 Let me see if I can find it.

4 It is this one, and he showed it to me, and indeed
5 asked as a courtesy if it was all right to transmit this
6 telegram from my embassy. So you see that the telegram
7 from Oliver North says in paragraph 4, "This operation has
8 highest level approval." I interpreted that to mean the
9 President of the United States.

10 Q But you don't recall North telling you specifically
11 that it was

12 A I do not.

13 MR. BALLEW: We will mark this as Exhibit 3.

14 (The following document was marked as Exhibit AK-3
15 for identification.)

16 COMMITTEE INSERT

17 end jm

18 boyum fls

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EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALLENG:



Q Now, on the following day, it would be October 31, according to your chronology you had various secure telephone conversations with Earl and Coy and they asserted they were speaking on behalf of Poindexter and more cables from Poindexter and these related to what in general?

A Logistical arrangements; where the release might take place if it took place, that is whether in Beirut or in Damascus; how---

Q Did you finally learn that the release would be in Beirut?

A Yes, finally the evening of October -- no, sorry,

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1 I am getting my dates confused -- Thursday was the 30th,
 2 Friday the 31st, the evening of Saturday November 1, around
 3 six in the evening, I was notified by Earl and Coy that
 4 the release, contrary to earlier indications, would take place
 5 in Beirut.

6 Q What happened after that?

7 A I told many people that we were going to stay
 8 at the embassy until we got a hostage out and we stayed and
 9 waited all night. The next morning our office in West
 10 Beirut

11 [REDACTED]
 12 [REDACTED]
 13 called the -- called our embassy in East Beirut about
 14 7:45 in the morning to record that Jacobsen had just walked
 15 in the front door, and we hold him, hold him, and we will send
 16 a motorcade over to get him, which we did, and I at that
 17 point sent a flash message to Poindexter informing him that
 18 Jacobsen was at the office in West Beirut, that I was
 19 sending a motorcade, and we picked him and brought
 20 Jacobsen to my house, my residence, and then sent a message
 21 to the State Department informing them that Jacobsen
 22 was released.

23 Q Why, at that point, did you send a message to
 24 the State Department when you had been instructed not to
 25 communicate with the department?

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1 A Because of my understanding from North during
2 his visit the night of the 30th, that once a hostage or
3 hostages were released it would be okay to use State
4 Department channels rather than to restricted privacy
5 channels.

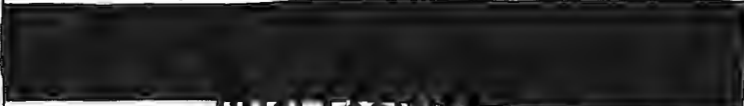
6 Q What, if any, reaction did Poindexter have to
7 this?

8 A Within 15 or 20 minutes after I sent the State
9 cable, I got a call on the secure telephone from either Earl
10 or Coy, I can't remember which one, saying that Poindexter
11 had -- why had I violated his instructions to use only
12 White House channels?

13 I said, because North said once you have the hostage
14 it is no longer a great secret. And I was admonished or told,
15 you know, please don't do this again; Poindexter is very
16 upset; we may get another hostage; publicity could jeopardize
17 that.

18 I said, okay. I note in the package of
19 materials there are a couple of ²prof notes about that
20 matter.

21 Q What occurred at this time when you had Jacobsen
22 back at your residence?

23 A I spent the next 10-12-14 hours with Jacobsen
24 
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[REDACTED]

Q What instructions had you received from the White House regarding Jacobsen?

A To keep Jacobsen in Beirut, not to move him out pending the potential release of the second hostage, and to keep---

Q The idea being they didn't want the publicity?

A They didn't want the publicity, quote--"premature publicity will jeopardize the release of the second."

Q Okay.

And what happened after that? What was your next---

A That evening, 6:00 or 7:00 p.m. [REDACTED]

[REDACTED] Bob Dutton, whom I had not met, or heard of before.

[REDACTED]

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Q Who was Bob Dutton?

A Dutton told me that he worked for Secord and that he was part of the operation with Secord and North and others. And that since Secord couldn't come and that North wasn't in Cyprus yet, he had come.

Q Do you know where North was during this time, when he wasn't available?

A I think he was somewhere in Europe, but I don't know.

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was on meeting
Abu Xidal?

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jm

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 Q Was there any discussion at all [REDACTED]

7 [REDACTED] among anyone where you learned that
8 there was a snafu in releasing the second hostage because
9 of, the shipment of additional arms wasn't shipped?

10 A I knew there was a snafu but I didn't know what
11 it was. At various times somebody would say that so and
12 so is double-dealing us, you know, I would overhear one of
13 these characters say that.

14 Q You say one of these characters, you refer to
15 Dutton?

16 A Dutton and Secord, when they were there on Thursday
17 night, or Dutton -- or occasionally on a secure phone call
18 Coy or Earl might say something, "There is a problem. The
19 other side is messing around." Or something like that, but
20 nobody ever mentioned to me the details of the transactions.

21 Q No one ever said to you that the snafu in releasing
22 the second hostage was caused because the Iranians wanted
23 more arms?

24 A No. No. At no point did anybody talk about
25 arms during that four-or five-day period.

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jm

1 Q At a certain time the local radio station broke
2 the story about Jacobsen's release?

3 A A Druze radio station, that is right.

4 Q What happened as a result of that?

5 A The operations center at the State Department called
6 me to ask what was going on since the wire services picked
7 up that Jacobsen had been released and was at my house.

8 I told them that because I was on an open telephone
9 line that they called on, that I couldn't discuss it, and I
10 called Earl on the secure phone and said, look, State wants
11 to know what is going on. Would you inform them?

12 And he said, don't worry about it. We will take
13 care of it; or words to that effect.

14 Q And did North arrive at that time?

15 A North actually didn't get in until the morning
16 of 3 November. He had planned to come in the evening of 2
17 November, but the weather got so bad that the flight
18 couldn't operate and so he stayed over and came in at about
19 6:00 a.m., on Monday, 3 November.

20 Q Did you ever learn from anyone what the actual
21 negotiations involved?

22 A No. The first thing I learned about it was
23 basically what I read in the Tower Commission report.

24 Q After these incidents, the next morning I take it,
25 is when they all departed, and they went off, and then on

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1 November 3, just to complete the record, the story broke
2 and in the Lebanese magazine, and on November 4, you received
3 a final message from Poindexter which still instructed you
4 to communicate to him on the back channel; is that a
5 correct scenario of the rest of the events?

6 A That is correct.

7 Q Now, did you ever have any subsequent conversations
8 with the Secretary of State or anyone else in the State
9 Department about your role in reporting directly to
10 Poindexter?

11 A Subsequent to these events?

12 Q Yes.

13 A Yes, I did.

14 Q Could you tell us when and where and what was
15 said?

16 A It was in December. I may get the dates wrong,
17 but---

18 Q That is all right.

19 A By a day or two, but in early December, around
20 December 6 or 7, I was called in Beirut and told to return
21 to Washington to explain my activities and conduct, which I
22 did, and---

23 Q Who did you meet with in Washington?

24 A I met with Secretary of State the following -- I
25 arrived here on a Monday evening, and I again don't have the

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jm

1 exact date, but December 7 or 8, I met with the
2 Secretary of State the following Saturday, and I believe,
3 the following Tuesday.

4 Q Okay.

5 What did he tell you?

6 A I am sorry?

7 Q What did he say to you?

8 A The Secretary of State expressed his unhappiness
9 and his disappointment with me that I had not kept him
10 informed of what was going on in Beirut, and that I had not
11 informed him after McFarlane had told me in August that there
12 was an ongoing effort to obtain the release of the hostages.

13 Q And how did you reply to that?

14 A I told the Secretary that I regretted⁺ that I had
15 not informed him, but that since McFarlane had told me in
16 August that he, the Secretary was informed, although he
17 was opposed to it, I didn't, it didn't occur to me to try
18 to contact the Secretary who was then on vacation to tell
19 him about something that Bud McFarlane had already told me
20 that he knew about, and then at the time of the events, October
21 30 to November 3, the release of Jacobsen, I was operating
22 on the, what maybe now appears to be naive assumption, that
23 Admiral Poindexter was keeping Secretary Shultz informed.

24 Q How did the Secretary respond to what you said?

25 A The Secretary thought I errored⁺ in judgment,
and he discussed it with the President and I was publicly

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1 admonished by the President and the Secretary, and
2 sent back to Beirut.

3 Q And your discussions with the Secretary on
4 Tuesday were of the same effect?

5 A Yes. Well, on the Saturday when I met him, the
6 Secretary had just returned from four or five days in
7 Europe. He had not had an opportunity to, being out of
8 the country, to read either my memorandum, my chronology,
9 or any of the relevant telegrams, and he said before he made
10 any decisions, he wanted to read those documents, which he did,
11 and I saw him the following Tuesday, after he had seen the
12 President, and discussed my situation with the President, or
13 so he told me.

14 Q Now, after you returned to Beirut, did you ever
15 receive any new guidelines from the Secretary in terms of
16 communications?

17 A The new guidelines went out while I was still in
18 Washington. In fact, within about 24 hours of my second
19 meeting with the Secretary. And I read them in Washington.

20 Q What, generally, did they provide?

21 A Well, they generally provided that ambassadors are
22 not to communicate directly with the White House unless
23 they are so instructed to do so personally by the President
24 himself, or by the Secretary of State, or other, I believe,
25 also by the Executive Secretary of the Department.

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1 Q So the National Security Adviser is no longer high
2 enough to pull out of the chain anymore? It has to be the
3 President himself?

4 A That is your interpretation, if I may. My under-
5 standing is that I am not to communicate with the White
6 House directly by passing the State Department unless I
7 am ~~so instructed personally by the President~~ or advised by
8 the Secretary or the Executive Secretary of the Department
9 that such communication is authorized.

10 Q So if the ~~National Security Adviser~~ ~~DeLuca~~
11 called you up and said, communicate through me, though back
12 channels, that would no longer be good enough for you?

13 A My next move would be to communicate with the
14 Secretary of State to say that I have received an instruction
15 from the National Security Adviser, would you please,
16 advise me as to what I am to do?

17 Q As I said, the National Security Adviser is no longer
18 high enough to take you out of the chain?

19 I don't have anything further.

20 A Would it offend anyone if I smoked a cigarette? ^{parelle}

21 MR. SMILJANICH: Won't bother me.

22 MR. BALLEEN: Not at all.

23 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

24 BY MR. SMILJANICH:

25 Q Let me stay on that subject for a second.

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jm

1 Do you have the ability in Beirut to contact the
2 Secretary of State directly by passing any and everybody?

3 A You mean by voice, or by telegram?

4 Q Let's start with by voice?

5 A Yes. [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]

9 Q That wouldn't be something you would do lately,
10 I would assume.

11 What about by cable? Is there a way you can
12 communicate with the Secretary by cable?

13 A By cable I can slug the cable "eyes only," only
14 for the Secretary. [REDACTED]
15 [REDACTED]
16 [REDACTED]

17 Q The voice communication
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]

25 Q You said you assumed during this series of

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43

jm

1 communications, starting October 30, that Admiral Poindexter
2 was keeping the Secretary of State Shultz informed. Did
3 there ever come a point when you specifically asked Admiral
4 Poindexter for an assurance of that type?

5 A I never spoke personally with Admiral Poindexter.
6 Every secure telephone conversation was either with Earl or
7 Coy in Washington purporting to speak in behalf of Admiral
8 Poindexter or with North on the ground or so on. So I
9 never spoke personally to Admiral Poindexter.

10 I gather in retrospect that he was not
11 present in Washington that weekend, but he was in secure
12 communications from -- in that he was with the President.

13 So I never requested^e_A specifically to speak with
14 Admiral Poindexter, no.

15 Q What about through Craig Coy or Bob Earl, did you
16 at any time ask them for any assurances about the Secretary?

17 A Well, basically on two occasions when I received
18 inquiries from the State Department on open lines, I
19 immediately called them and said I have been queried by the
20 Department of State on open lines; would you please inform
21 them; or haven't you already informed them; and the usual
22 answer was, "We are taking care of this end, you take care
23 of your end."

24 In one case I did communicate by telegram to the
25 State Department.

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jm

1 Q Okay. When you saw Dick Secord and Bob Dutton
2 as participants in this process, was anything said to you
3 or was anything said in your presence as to why and how
4 two private citizens were involved in this particular matter?

5 A No. I was surprised to learn that Secord was
6 involved. I had no prior knowledge, you know, and although
7 I knew him, I was just surprised. I never heard his
8 name mentioned with anything connected with the Middle
9 East in recent years.

10 Q What was your understanding as to what Secord's
11 specific role was?

12 A I guess I thought he was on contract to the NSC.

13 Q What was he doing there? Could you tell what it
14 was he was bringing to this endeavor?

15 A From the sort of small slice of the cheese that
16 I could see in Beirut, during the one hour when North and
17 Secord were there, the evening of the 30th, it seemed from
18 what I heard them saying to one another that Secord was
19 involved in the negotiations.

20 Q The actual negotiations with the Iranians?

21 A Well, he went off and talked to Germany and
22 then he came back and said something like, you know [REDACTED]
23 [REDACTED] is raising the ante or lowering the ante. I don't
24 remember the exact words.

25

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EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. BALLEEN:

Q Do you know whether they were Iranians that they were involved in?

A I don't know.

Q The question said was it actual involvement with the Iranians?

A I don't know that they were the Iranians.

Q For all you know, they could have been Middle East?

A Yes, or anyone, Middle East, or anyone. Based on my conversation with McFarlane in August, I assumed they were Iranians.

Q Okay.

end jm

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1 Q You assumed Secord was involved in these negotia-
2 tions with whoever they were?

3 A Yes, I did.

4 Q What about Bob Dutton? Did you perceive any particu-
5 lar role for him?

6 A No, no. I was a little surprised when he came in

7 [REDACTED] I didn't know who he was
8 or what he was doing.

9 He said, "I work for Dick Secord and, you know, he
10 is somewhere else [REDACTED] and Martha
11 was going to come in as soon as he could."

12 Q Let me go back to the beginning of the story.

13 When you arrived in Beirut as ambassador, was there
14 a hiatus between your assumption of the post and Ambassador
15 Bartholomew leaving?

16 A Yes, there was a long gap.

17 Q How long?

18 A Ambassador Bartholomew departed around the middle
19 of May and I arrived August 22nd.

20 Q Who was chargé-ing during that time?

21 A Terry McNamara.

22 Q Did he then stay on as DCM?

23 A Yes. He is still there.

24 Q Was Terry McNamara at all knowledgeable of or
25 informed about these ongoing -- let me make that clear.

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1 I am not talking about the events of October 30
2 through November 2, but earlier than that, was he aware of the
3 substance of your conversation with Mr. McFarlane?

4 A No, he was not. I did not tell him.

5 Q And nothing he ever said to you indicated that he
6 was in any way knowledgeable of any history of this activity?

7 A Nothing he ever intimated to me.

8 Q Did anyone in your embassy, other than you, know
9 about the sum or substance of your discussions with Mr.

10 McFarlane?

11 A No, I never shared it with anyone.

12 Q Did you share it with anyone in the State Department
13 in Washington?

14 A No.

15 Q Before you left for Beirut, I understand that you
16 learned about this matter from Mr. McFarlane, or you had had
17 your meeting with the secretary?

18 A That is correct.

19 Q Before you left for Beirut, did you ever have a
20 meeting with the President? Was there any kind of formal
21 meeting with the President to see you off?

22 A No, because I was confirmed just as the Senate
23 adjourned or recessed, and because they were very -- the
24 Department was very anxious that I get out there in a hurry,
25 and the President was on vacation on the West Coast. The

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1 normal predeparture call with the President was foregone. So
2 I did not speak to the President.

3 The President telephoned me in June to ask me to
4 officially accept the position of Ambassador to Beirut. That
5 is the only conversation I had in 1986 with the President.

6 Q Okay. So at no time did you ever have any discus-
7 sion with the President about the hostages, arms transactions,
8 anything like that?

9 A No. I saw the President in March of this year for
10 approximately 60 seconds to have my photograph taken with him
11 and he said, you know, "I know it is a tough job out there,"
12 or something like that. But, no.

13 Q Okay.

14 When you had your discussion with Robert McFarlane
15 on August 8, first of all, where did you meet with him?

16 A In his office at K Street in the Georgetown Center
17 for Strategic and International Studies.

18 Q Did he say he had been somehow authorized to bring
19 you into this matter that he had discussed with someone, the
20 fact that he was going to be telling you about this?

21 A No, I don't recall him saying that.

22 Q And in his description of what was ongoing at the
23 time, did he make any reference to the development of a
24 strategic relationship with Iran?

25 A Not that I recall.

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1 Q So the matter that he described for you simply
2 concerned the provision of arms to Iran in return for getting
3 some hostages released from Lebanon?

4 A That is correct.

5 Q Did he say to you who they were dealing with in
6 Iran? Did he give any description of the channel?

7 A No.

8 Q Did he say that he described them as moderates,
9 radicals, people in government, anything?

10 A No.

11 Q If he did describe them -- ^{he} ~~A~~ did say they were
12 dealing with Iran?

13 A Yes.

14 Q Did he say what types of U.S. weapons?

15 A No, not that I recall.

16 Q He never mentioned ~~two~~ missiles or HAWK spare parts?

17 A No, not at all.

18 Q Did he say anything about his trip to Tehran?

19 A Other than that it happened, no.

20 Q Did he say that there had been prior hostages
21 released as a result of this activity?

22 A I can't recall whether he explicitly said that.

23 I may have inferred that that is what brought about the release
24 of Jen~~fo~~ and Weir. I just don't recall.

25 Q He didn't specifically address that?

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1 A No. I don't know. No.

2 Q In your brief discussion with Robert Earl on the
3 11th, after you met with Dennis Ross, he didn't add anything
4 in the way of new information?

5 A No. Basically, just to say, "I understand McFarlane
6 briefed you. We are counting on you to be helpful. Admiral
7 Poindexter will need your cooperation if this produces
8 results."

9 Q And he didn't describe for you anyone else who was
10 knowledgeable of the activity -- Bob Earl?

11 A Well, in that he said Ollie North would have liked
12 to have met with you. It was clear that North was knowledge-
13 able.

14 Q Okay. Anyone else?

15 A But he didn't say if you can't get me, Craig Coy --
16 I never heard of Craig Coy until I talked to him on the phone
17 October 30th.

18 Q When Craig Coy first popped up as someone involved
19 in this, it was during the --

20 A October 30, 31, when he appeared on the other end
21 of the phone and said he and Earl were the two assistants to
22 North and they were clearly taking shifts in dealing with
23 this.

24 Q Did you ever gather from any of the discussions what
25

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1 the specific problem was that came up in connection with the
2 release of another hostage?

3 A No, no.

4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]

11 Q I assume since you didn't mention it -- it is
12 something that you would very probably have remembered -- at
13 no time did Colonel North or anyone else make any reference
14 to the fact that one of the side benefits of all this was help
15 for the contras in Central America? That was never mentioned
16 to you in any way?

17 A No, nobody ever mentioned anything about contras or
18 anything.

19 MR. SMILJANICH: That is all I have.

20 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

21 BY MR. BALLENG:

22 Q I have just a couple more quick things.
23
24
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7
1 Was [REDACTED] involved in this
2 in any way?

3 A No.

4 [REDACTED]
5 [REDACTED]
6 2.

7 MR. BALLEEN: Let me go off the record for a second.

8 (Discussion off the record.)

9 BY MR. SMILJANICH:

10 Q On the record.

11 There is another area. You have also been asked if
12 you had any information and I think you passed back rumors
13 you had heard about any attempts to ransom hostages?

14 A Yes.

15 Q And you stated that you had heard rumors that
16 there was an attempt. [REDACTED]
17 [REDACTED]
18 [REDACTED]

19 And another occasions in which you heard that
20 some how Ross Perot was involved in an attempt.

21 I would like you to be as specific as you can about
22 that. If you can tell us what rumors you heard, where you
23 heard them, anything you can add to that?

24 A I really can't. At the time I got the inquiry, I
25 scratched my brain, where did I hear this. I kind of -- and

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1 I really can't help you. Beirut is awash in rumors of the most
2 fantastic, incredible -- although some turn out to be true --
3 reports and, you know, which Lebanese or which other person told
4 me when, I just cannot recall. But some of this stuff is
5 sort of common supposition around Beirut.

6 Q Did you ever hear of any involvement by DEA agents
7 in an attempt to ransom hostages?

8 A Not until the Tower Commission business, until they
9 revealed some memos or PROF notes that talked about DEA
10 trying to organize a militia in Lebanon.

11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 Q Did you ever hear that anybody in particular at
15 the CIA was a part of this process, or contributing to it in
16 some way?

17 A Well, as was indicated on some of these telegrams,
18 Dewey Clarridge, who was an addressee on some of these
19 telegrams -- over that weekend at some point, somebody told
20 me that the telegrams sort of eyes only for Poindexter, and
21 then as time went by, somebody said, well, add Clarridge,
22 Coy and Earl or someone. So it became clear to me over that
23 weekend that Clarridge was somehow involved in this.

24 Q Did you know Dewey Clarridge?

25 Yes, I had met him professionally earlier.

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9
1 Q Did you ever have any direct dealings with him in
2 this whole process about this matter?

3 A No, I didn't. Oddly enough, he is another person
4 I tried to see and talk to before I left for Lebanon, because
5 he is head of their [REDACTED] but we missed.
6 He was out of town or I was busy, or something like that.

7 Q Ambassador Oakley, is that someone you would have
8 numerous contacts with based on his role in counterterrorism?

9 A Well, he left that position within a couple of
10 weeks after I arrived in Beirut.

11 Q And Bremer took over?

12 A That is right, Bremer. So I had no contacts with
13 Oakley from Lebanon as I recall.

14 Q Is that someone you met before you left?

15 A Yes, in June or July we met.

16 BY MR. BALLEEN:

17 Q Did he make any reference at all to this Iran
18 initiative?

19 A Not to -- not to Iran. I mean, he said, you know,
20 "half the government is mucking around trying to get the
21 hostages out." Sort of general allusions, but he never
22 mentioned anything about Iran or negotiations with Iran, and
23 I saw him prior to having seen McFarlane, so --

24 Q He didn't make any references, veiled or otherwise,
25 to him being dissatisfied with certain negotiations that might

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1 be going on in connection with the hostages?

2 A No, he told me -- I got the impression from him he
3 was dissatisfied with Oliver North's role in counterterrorism
4 and hostages, but that was sort of a general group.

5 Q Can you be any more specific than that? What point
6 of friction did there seem to be between him and North?

7 A I got the impression one thing was that it was,
8 North was not keeping him fully informed, but I just don't
9 know. Oakley was one of the people who said you ought to go
10 and talk to North before you go to Beirut.

11 Q Okay. That is all.

12 MR. TRAYLOR: No questions, thank you.

13 MR. BALLEEN: Thank you very much for your
14 cooperation, Ambassador Kelly.

15 (Whereupon, at 5:20 p.m., the deposition was
16 adjourned.)
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EXECUTIVE SESSION

Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES

Partially Declassified/Released on 1-22-88
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 by N. Menan, National Security Council



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DEPOSITION OF GEORGE KISZYNSKI
Tuesday, May 5, 1987
EXECUTIVE SESSION

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran
Washington, D.C.

The committee met, pursuant to call, at 2:00 p.m., in
room B-352, Rayburn House Office Building, Pamela J. Naughton,
(Staff Counsel, House Select Committee) presiding.

Present: Robert W. Genzman, Associate Minority Counsel,
House Select Committee; Joel S. Lisker, Association Counsel,
Senate Select Committee; and Henry J. Flynn, Investigator,
Senate Select Committee.

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1 Whereupon,

2 GEORGE R. KISZYNSKI

3 was called for as a witness, and, having been duly sworn, was
4 examined and testified as follows:

5 MS. NAUGHTON: On the record.

6 My name is Pamela Naughton. I am Staff Counsel for
7 the House Select Committee to Investigate Covert Arms
8 Transactions. If the people around the table could give the
9 names and titles.

10 MR. GENZMAN: My name is Robert W. Genzman. I am
11 Associate Minority Counsel for the House Select Committee.

12 MR. LISKER: I am Joel Lisker. I am Associate
13 Counsel with the Senate Select Committee on Secret Military
14 Assistance to Iran and ^{the} Nicaraguan Opposition.

15 MR. FLYNN: My name is Henry J. Flynn, Investigator
16 with the Senate Select Committee on Iran and the Contras.

17 MR. KISZYNSKI: George R. Kiszynski, Special Agent
18 FBI, Miami, Florida.

19 MS. NAUGHTON: For the record, Mr. Kiszynski, and
20 for all counsel present, counsel understands that the reporter
21 is a Notary Public in the State of Maryland, and we all waive
22 any objection to this reporter administering the oath for
23 the purpose of this deposition and have no objection to the
24 form of the oath.

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1 BY MS. NAUGHTON:

2 Q Is that your understanding, Mr. Kiszynski? Do you
3 have any objection to that?

4 A No, I don't think so.

5 Q Mr. Kiszynski, did you see a copy of our rules or
6 were you informed of the committee rules?

7 A No, I have not seen a copy of the rules.

8 Q I am now showing you a copy of our rules of the
9 committee. You do have the right to have an attorney present
10 your personal attorney, during the deposition. I am not
11 saying that one is required. Certainly you have the option.
12 I notice you are without counsel today. Do you understand
13 your right to have an attorney present?

14 Q Yes, I do.

15 A If, at any time during the deposition, you have any
16 questions, you want to go off the record to answer questions,
17 or to stay on the record to ask a question, please feel free
18 to do so.

19 This is executive session material. That means it
20 is taken in secret. It is held in secret in the vaults of
21 the committee room. It is not released at any point unless
22 it is with the vote of the full committee for its release
23 under the committee rules.

24 A Does this mean that I can't discuss what I am about
25 to testify to to my superiors or anybody within the FBI?

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1 Q What I am saying is that the contents of your
2 testimony today are secret. Do you understand? In other words
3 if they ask you facts of which you are aware concerning your
4 activities, obviously if they are your superiors, you are
5 going to answer their questions. If it involves your
6 testimony discussing that, this is executive session material.

7 I have to apologize because I have to get out of
8 here in about an hour.

9 MR. GENZMAN: Me too.

10 BY MS. NAUGHTON:

11 A We may skip some background things in the course of
12 that. That is not to say we don't think it is important. If
13 there is something that we have skipped that you feel you need
14 to fill in to answer the question, please feel free to do so,
15 but in terms of the details of the investigation, that is not
16 what my primary concern is.

17 A For your information, I am involved in the investi-
18 gation, and I can't really discuss the details of the
19 investigation, and also, we have a lot of ^{Rule} ~~secret~~ (4) material.

20 Q I understand that, and please be assured we are not
21 interested in the specifics of your sources, methods or (4)
22 material.

23 The first thing I want to discuss is the investiga-
24 tion stemming from in Alabama of the CMA and Tom Posey. I
25 understand you were asked to do some leads regarding that

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1 in that investigation, is that correct?

2 A Well, yes.

3 Q And Judge Webster testified during his confirmation
4 hearing a couple of days ago that a connection was made to
5 Oliver North during the course of that investigation. Can you
6 tell us about that?

7 A Yes. I was asked by teletype to interview Tom Posey
8 Larry Spivey and individuals connected with them in Miami,
9 Florida.

10 Q Why don't you describe who Spivey is?

11 A Larry Spivey stated to me that he is a movie
12 producer who resides in Hollywood, ~~in~~ California ^{OK}, Los
13 Angeles, and Tom Posey is the head of the CMA.

14 Q That is the Civilian Military Assistance?

15 A Yes, that was the former name. It is currently
16 the Civilian Material Assistance Organization.

17 Q You were to interview Mr. Spivey as well?

18 A Spivey gave information to the Bureau. He contacted
19 Agent Boone in L.A.

20 Q B-O-O-N-E?

21 A Right. Michael. He also contacted Washington, and
22 then Agent Boone, and I was requested by teletype to conduct
23 those interviews, which I did.

24 Q If Spivey is out of L.A. how can he interview them
25 in Miami?

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1 A Because Spivey flew to Miami to be with Tom Posey.
2 Spivey was interested in doing a story on the Contra movement
3 and the freedom fighters.

4 Q And you interviewed both of these people?

5 A Yes, I did, at our office. I believe it was on
6 1/6/85. It may have been on a Sunday.

7 Q And did you write a 302 or do a teletype?

8 A Yes, I wrote a teletype providing the results of my
9 investigation.

10 Q To whom was this sent?

11 A It was sent to headquarters. It was sent to, if I
12 remember correctly, to L.A., to Houston, and possibly to New
13 Orleans, if I remember correctly.

14 Q Were you aware that Oliver North had called Agent
15 Boone?

16 A At the time, no. I am aware of it now.

17 Q When did you become aware of it?

18 A Just recently.

19 Q After you finished the interviews and wrote them up,
20 did you file any requests for dissemination to the National
21 Security Council?

22 A Yes, I requested that the Bureau consider disseminat-
23 ing the information to Oliver North.

24 A Why?

25 Q Because his name came up through Spivey, and I

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1 figured that Oliver North, working for the government, should
 2 be ^{MADE} aware there were a lot of people running around dropping
 3 his name, and so I felt that he should be ^{CONVINCE} ~~countenanced~~ of the
 4 fact that this was taking place in Miami.

5 Q What did Spivey say about Ollie North?

6 A He said that Oliver North was very knowledgeable
 7 regarding the Contra issue, and very knowledgeable regarding
 8 Central and South America, and that he ^(Spivey) had notified Oliver
 9 North about what was taking place.

10 Q What was taking place? What do you mean?

11 A Well, basically that Tom Posey and this Colonel
 12 Flaco were planning to go to Central America, and become
 13 involved in some type of activity that would be detrimental
 14 to the U.S. Government interests.

15 Q Would this include the invasion of Nicaragua?

16 A I am not sure if he referred to any invasion of
 17 Nicaragua.

18 Q But was the military activity targeted at Nicaragua

19 A Probably. That is what he implied.

20 BY MR. FLYNN:

21 Q Who was going to do the invasion?

22 A At that time, it was sort of ^{UNCLEAR} ~~unclear~~, but it was
 23 Tom Posey, the CMA and Colonel Flaco.

24 Q Going to invade?

25 A Not so much invade, but take some type of action

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8

1 that would be against U.S. interests in Central America.

2 BY MS. NAUGHTON: Is this the first you had heard of

3 Oliver North?

4 A Yes.

5 Q Did you receive any calls from Oliver North

6 regarding this investigation?

7 A No.

8 Q And Agent Boone did not tell you or communicate to

9 you that he had?

10 A No. I never spoke to Agent Boone. I have yet to

11 speak to him.

12 Q I said communication with him. He didn't put it in

13 a teletype?

14 A ~~Except~~ ^{Except} for the teletype.

15 Q But his teletype, did that mention Oliver North?

16 A Yes, I believe it did.

17 Q And to whom did you make the request to disseminate

18 your interview to North?

19 A To FBI headquarters.

20 Q Do you remember who it was particularly?

21 A No, I just sent the teletype to the Bureau.

22 Q And did you receive a response?

23 A No.

24 Q So it would be headquarters' responsibility to do

25 it if they decided to?

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1 A If they decided to. Again, I want to repeat that
2 I did so because his name was being used considerably, and I
3 didn't know whether Mr. Spivey had any official connection
4 with the government. I wasn't sure as to what his position
5 in this matter was, and I decided that maybe he should be
6 aware that his name was being thrown about.

7 I want to add for your information, Spivey is a
8 very charming and articulate man. He drops a lot of names,
9 too many names, and I just didn't know who Spivey was, and
10 he came across to me as being very, very charming, and he is
11 easy to speak to, and he brought Tom Posey over to the office
12 and he led Tom Posey to believe that Spivey and I had been
13 friends for a long time, when in fact I had met him maybe an
14 hour prior to talking to Tom Posey. He has that type of
15 ability, very charming individual. If you get an opportunity
16 to meet him and talk to him, you will see what I mean, very
17 articulate.

18 Q Is he someone you interviewed after a visit to
19 Nicaragua?

20 A No, I interviewed him before and after the visit to
21 Nicaragua.

22 Q Is that the first you had --

23 A The first ^{time I met} ~~ever knew~~ Spivey was, I believe
24 it was, on January 6th of 1985.

25 Q Now I am confused. ^{was} ~~what~~ that pursuant to the lead

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from Los Angeles?

2 A Yes.

3 Q [REDACTED]

4 [REDACTED]

5 A No.

6 Q Had you heard of a man named Kevin Kattke?

7 A Repeat the spelling of the last name.

8 Q K-A-T-T-K-E.

9 A No.

10 Q Did you ever hear of a similar plot involving the
11 invasion of Grenada?

12 A No.

13 Q Unless there is something else we should know
14 about that case, the Posey case, I want to move on.

15 A Fine, go ahead.

16 Q Is there anything else we should know?

17 A Not that I can think of, no.

18 Q Do you know the outcome of the Los Angeles investi
19 gation?

20 A That was the Houston investigation, but I know tha
21 the investigation was closed.

22 Q Without prosecution?

23 A I don't know.

24 Q Moving on to I guess it is the Corvo.

25 A Rene Corvo.

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1 Q I want to start with your interview of Jesus Garcia
2 Did you interview Mr. Garcia in January of '86?

3 A Yes. We interviewd Mr. Garcia, Kevin Currier, and
4 I interviewed Mr. Garcia at the MCC, Metropolitan Police
5 Correctionst Center in Florida.

6 Q Did he tell you about an alleged plot to assassinate
7 Ambassador Tambs?

8 A Yes, he did.

9 Q Did he tell you about any other potential criminal
10 activity?

11 A He told us about the plot and also the plot to
12 assassinate Ambassador Tambs, and/or to attack the U.S.
13 Embassy in ^SSan Jose, Costa Rica.

14 Q Did he also talk about any activity regarding
15 mercenaries to support the Contras or any guns being provided
16 to support the Contras in Nicaragua?

17 A Garcia was very self-serving during that interview.
18 He did not wish to discuss the Cubans, and when I specifically
19 asked him about certain individuals, Cubans in particular, he
20 refused to comment.

21 Q When you say Cubans, are you referring to Cuban-
22 Americans?

23 A Cuban-Americans.

24 Q Living in Florida?

25 A Cuban exiles who lived in Florida or outside of

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1 Florida.

2 Q By the way, who administered the polygraph for
3 Garcia?

4 A If I remember correctly it was our office.

5 Q What did you and Mr. Currier, for the record,
6 your partner at the FBI, and Mr. Feldman, decide, after
7 speaking with Mr. Garcia, and after their results of the
8 polygraph came in?

9 A That he did not have a great deal of credibility.

10 Q And what did you decide to do with the investigation?

11 A We always proceeded with our investigation.

12 Q And so what steps did you take at that point?

13 A We continued to do interviews. We keyed on other
14 people, and we did surveillances.

15 BY MR. FLYNN:

16 Q What was the direction of the interview? What was
17 the classification of the case, a bombing case or neutrality?

18 A Neutrality, and finally we traveled to San Jose,
19 Costa Rica. We went to La Reforma prison.

20 BY MS. NAUGHTON:

21 Q Before we get to that, you also went to New Orleans
22 is that correct?

23 A Yes, I did.

24 Q To interview Jack Terrell?

25 A AKA Flaco.

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1 Q Colonel Flaco?

2 A Right. That was on March 25th, I believe, of '86.

3 Q Did Mr. Terrell speak of Robert Owen?

4 A If I remember correctly, yes, he did.

5 Q And what did he tell you about Robert Owen?

6 A That Robert Owen was the liaison man between
7 Washington and the FDN.

8 Q During the investigation of this case, were you
9 aware of the Boland Amendment?

10 A Yes.

11 Q And what did Mr. Terrell say Robert Owen did in
12 Central America?

13 A Exactly what I just said. He was ^{the} liaison man.

14 Q For whom did you understand Mr. Owen to work?

15 A He was connected in some way to Oliver North.

16 Q Was that your understanding in, shall we say,
17 February of '86?

18 A Yes.

19 Q As of late March of '86, what did you understand
20 Oliver North's role to be regarding any Central American
21 activities?

22 A He was familiar with the issue, that he worked for
23 the NSC, and that he was assisting with humanitarian aid.

24 Q Did you have any information that he was helping
25 to either raise money for arms or helping to supply arms to

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14

1 the Contras?

2 A Not that I can remember.

3 Q In February or March, did you speak at all to the
4 Leon Kellner, the U.S. Attorney in Miami?

5 A I don't think so. Which year?

6 Q 1986.

7 A February or March of '86? I don't think so.

8 Q Either before or while you were in Costa Rica, did
9 Assistant U.S. Attorney Feldman prepare a little handwritten
10 chart summarizing what you may have learned regarding
11 different players?

12 A Yes. It was a sketch of central figures, key
13 figures.

14 Q And who was at the top of this sketch?

15 A Oliver North.

16 Q And who was under Mr. North?

17 A Owen.

18 Q Robert Owen?

19 A Robert Owen.

20 Q And who was under Mr. Owen?

21 A John Hull, and below that Rene Corvo.

22 Q And for the record, Mr. Hull does what?

23 A John Hull is a wealthy rancher who resides in Costa
24 Rica, and is married to a Costa Rican woman.

25

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 Q Could you tell us when you got to the embassy in
15 Costa Rica, tell us what happened?

16 A We, as protocol, were required to introduce
17 ourselves to the appropriate personnel at the embassy, and
18 we had a meeting with Ambassador Lewis Tambs.

19 Q Was that at his own or your request?

20 A It was usually the protocol to meet with the
21 Ambassador. I am not sure at whose request it was, but it i
22 usually protocol for visiting dignitaries. Not that I
23 consider myself a dignitary, to go and announce yourself
24 and tell him why you are there, and what the scope of your
25 investigation is all about.

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1 Q So had you discussed with Mr. Feldman and Mr.
2 Currier how much you would tell the Ambassador or anyone at
3 the embassy?

4 A We discussed it, we discussed the meeting, and we
5 were going to tell him exactly why we were there~~x~~ and what
6 we anticipated doing. We were also going to ask him for
7 assistance in conducting our work.

8 Q Who briefed Ambassador Tambs about your investiga-
9 tion?

10 A It was basically Feldman.

11 Q And did Feldman show him the sketch?

12 A Yes, he did.

13 Q And what was the Ambassador's reaction to the sketch?

14 A He ~~said he~~ ordered one of this assistants to get

15 [REDACTED]
16 Q [REDACTED] you mean [REDACTED]

17 A I believe that may be his first name, yes.

18 Q And who did you understand [REDACTED] to be?

19 A He was [REDACTED]

20 Q And was [REDACTED] briefed on your investigation?

21 A Yes, he was present during our briefing.

22 Q And when the name Oliver North came up, do you
23 recall what [REDACTED] said?

24 A Not specifically. We gave him the information.

25 Obviously they had an interest in that information, because

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1 otherwise, Ambassador Tambs wouldn't have called [REDACTED]

2 [REDACTED] I think it had ^{an} impact.

3 Q Why do you say that?

4 A [REDACTED] At first, he
5 wasn't there, and when we mentioned these figures, Ambassador
6 Tambs asked that [REDACTED] be present during our
7 conference. Obviously there was an interest in what we had
8 to say.

9 Q What was [REDACTED] reaction, response to the
10 information you gave?

11 A Very professional, very cool. Talked about his
12 activities.

13 Q What did he say?

14 A We are getting into our investigation again.

15 Q I don't know what your understanding is, but our
16 understanding is that anything before the Independent
17 Counsel comes in on December 4, is grounds for inquiry of the
18 committee. We are interested in what [REDACTED] was doing
19 in Costa Rica. That is why I asked the question.

20

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1 [REDACTED]
2 Q And what did he say about Hull [REDACTED]

3 A He said that Hull was an excellent American [REDACTED]

4 [REDACTED] He said that Hull was an excellent American who was
5 committed to this country, and that he was assisting the
6 refugees with food and clothing.

7 BY MR. FLYNN:

8 Q Where was he getting the food and clothing?

9 A From donations. Being wealthy, out of his own
10 pocket.

11 Q Did he give you any of the names of people who
12 might have been donating food and money for the refugees in
13 this country?

14 A No. The interview was not very specific in nature
15 and did not last that long. Basically, we were just to
16 introduce ourselves, to tell him what we wanted to accomplish
17 and to ask for their assistance.

18 You must realize that when you are in a foreign
19 country, you are there and you have to conduct yourself in
20 a certain manner. We needed the assistance of the U.S.
21 Embassy, such as a driver, their contacts, and they expedited
22 and facilitated a lot of our work.

23 BY MS. NAUGHTON:

24 Q You don't recall [REDACTED] making any specific
25 about Oliver North or his relationship with Oliver North?

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1 A I really don't.

2 Q Did he make any specific comment about Robert Owen?

3 A Not that I can remember.

4 Q Were arrangements made to interview Mr. Hull?

5 A Yes, they were.

6 Q What happened?

7 A We were supposed to meet with Mr. Hull -- let me see
8 if I remember the date -- on April 3rd, and he was supposed to
9 come to the Hotel ^{Bougainville} ~~Bouganville~~, in San Jose, Costa Rica. He
10 was supposed to meet with us. He called and left word for
11 Jeff Feldman that he would not be attending, and on the way
12 to the airport, we ran into Mr. Hull at the airport by
13 coincidence.

14 Kevin and I introduced ourselves to Mr. Hull,
15 expressed our desire to interview him. He ^{said} ~~says~~, "You guys
16 made ² enough noise for five." He told us he was going to fly
17 into Miami, and we requested that he allow us to interview
18 him there.

19 The next thing we noticed is that Mr. Hull was not
20 on that plane. He was supposed to travel to Miami on that
21 same plane, which was an Eastern flight, so obviously he
22 changed his travel arrangements.

23 Q Do you know whether anybody at the embassy had told
24 him or advised him not to be interviewed?

25 A I don't know this. I believe that Mr. Hull

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1 contacted ~~General~~ Consul General Kytola, but I am not sure
2 what Kytola told him.

3 Q Were you aware that Hull had met with Ambassador
4 Tambs?

5 A When Kytola --

6 Q April 3rd-April 4th.

7 A No, I am not aware that he met with Ambassador
8 Tambs.

9 Q Did you talk to Mr. Kytola personally?

10 A Yes, I did.

11 Q Did Mr. Kytola reference any calls that Mr. Hull
12 might have received from the National Security Council?

13 A Not during my presence. You must remember that
14 sometimes we were going at different directions, and I was
15 not always privy to conversations. I think Kytola at times
16 talked to Jeff Feldman, ^{at other} talked to me and Kevin Currier, so
17 I don't remember that conversation.

18 Q But at any point were you ever told by either Mr.
19 Feldman or Mr. Currier about any information they had receive
20 that the National Security Council had been in touch with Mr.
21 Hull?

22 A That sounds familiar, and may have come from
23 Feldman, but don't quote me on that.

24 Q What was the general status of the case after you
25 returned from Costa Rica? In other words, were you enthused

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1 about the case?

2 A I think that Kevin and I were always ^tenthused about
3 the case. We had gotten excellent information at La Reforma
4 prison. We were enthused. We were happy as to how the
5 investigation was proceeding, and we were hoping to empanel a
6 grand jury.

7 Q Sometime in the Spring of 1986 did you or did your
8 office receive a request from anybody at headquarters for a
9 summary of what had happened on the case?

10 A Yes.

11 Q And from whom was that request?

12 A I personally was called ~~into~~ to assist Kevin with the
13 summary by Paul Phillips, who at the time was my immediate
14 supervisor, and he had ^{RECEIVED} ~~received~~ the request from Jim Freeman,
15 ^{WAS} who ~~is~~ the ASAC.

16 Q Who in Washington generated the inquiry?

17 A Assistant Director -- I have a memory lapse.

18 Q Was it Buck Revell?

19 A Buck Revell.

20 Q Were you told that the request came from Mr. Revell

21 A Yes.

22 Q And was this in March of 1986?

23 A Yes, March 20, 1986.

24 Q How was it that Mr. Revell was aware of your
25 investigation?

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1 A He was in charge of the Criminal Division. Our
2 investigation is a high profile investigation, so he should
3 be aware of most of the investigation.

4 Q Were you sending reports periodically?

5 A Yes.

6 Q To headquarters?

7 A Yes.

8 Q And did you prepare this summary?

9 A We did.

10 Q Did it include the information that you were told
11 by Mr. Terrell?

12 A I believe that it did.

13 Q And did that mention Mr. Hall?

14 A I think it mentioned the key figures of the
15 investigation. It was a summary of our investigation.

16 Q And did it mention Mr. Owen?

17 A I believe so.

18 Q Did it mention Lieutenant Colonel North?

19 A Not that I know of.

20 Q Did you receive any follow-up phone calls for
21 additional information or anything like that?

22 A No, but it was customary for us to continue to send
23 reports to headquarters on a timely basis.

24 Q But other than the normal course of preparing
25 reports, you didn't have any additional requests for action

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1 or information?

2 A Not that I can remember. The next key report that
3 we prepared was our prosecutive report, which was done.

4 Q We will get to that.

5 BY MR. FLYNN:

6 Q You said before that when you came back from Costa
7 Rica that you were interested in a federal grand jury?

8 A Empaneling a grand jury.

9 Q Did you discuss that with Feldman?

10 A Oh, yes.

11 Q Did you write the U.S. Attorney? How did you handle
12 that request?

13 A We had discussed it. We had requested a grand jury.
14 We had been requesting a grand jury from the beginning of the
15 year, around January or February of that year. When we came
16 back from San Jose, Costa Rica, we were ^tenthused about the
17 investigation, and we felt that the grand jury would be an
18 appropriate means to further the investigation, to obtain
19 records that were necessary, and so forth.

20 Q Did you write a letter to the U.S. Attorney to that
21 effect, or just make your thoughts known to Feldman?

22 A We wrote communications to the Bureau. We made tha
23 known to Feldman repeatedly.

24 BY MS. NAUGHTON:

25 Q On or about May of 1986, did Mr. Feldman show you

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1 any drafts of any memoranda he had prepared for his superiors:

2 A No. I was not present. He showed the memoranda
3 to Kevin Currier.

4 Q Before we get to that, in April of 1986, were you
5 aware that the Attorney General was going to visit the hospita
6 where the FBI agents were?

7 A That was common knowledge from the paper, yes.

8 Q Did you participate in that convoy or the escort or
9 anything for the Attorney General?

10 A No, I was at the funeral. You are referring to Ben
11 ~~and Jerry Dove?~~ ^{GERRY DOVE}

12 Q Were you aware that the Attorney General had
13 inquired about your investigation?

14 A No.

15 Q When was it you first learned about it?

16 A In my readings in a number of newspapers and
17 articles that cropped up.

18 Q When is the first time you spoke with Leon Kellner
19 about this case?

20 A I can't remember specifically. I don't think that
21 I really sat down with Leon Kellner at length to really
22 discuss the investigation. That was done by Jeff Feldman. I
23 remember one specific conversation that we had. That was at
24 a Christmas party right prior to Christmas 1986, and we
25 discussed the case over lunch, standing up. It was an office

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end Cantor
Thomas fls

1 party, and previous to that, I ran into him once or twice and
2 we just chit-chatted very superficially about the case, but
3 never in any sort of depth.
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THOMAS:Mhl
take 2
3:00 p.m.

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1 Q As long as we are on the 1986 Christmas party
2 conversation with Mr. Kellner, what was your impression? By
3 now, Mr. Kellner has received your prosecution memo. What
4 was your impression of the depth of his understanding about
5 the details of your case?

6 A I don't think that Mr. Kellner understood the case
7 in its entirety because he kept referring to the fact that
8 the case involved the shipment of a few weapons to Central
9 America and I said, well, the case is a little more complicate
10 than that. If you look at it quickly that is what it looks
11 like, but there is more to the case than just a shipment of
12 a few weapons to Central America.

13 The fact that there ^{are} Cuban exiles recruiting funds
14 and paramilitary equipment in Miami, recruiting mercenaries
15 and so forth, there is a great deal more than just five or six
16 weapons being taken to Central America.

17 Q Now, going back to May of '86, did you ever discuss
18 Jeff Feldman's memo of May 14, '86 with Mr. Feldman?

19 A Yes, we discussed the memo. Keep in mind that Jeff
20 and Kevin Currier worked on the memo, ^{prepared} ~~prepared~~ the memo. I was
21 involved in our investigations ^{but} ~~and~~ I didn't take part in, ^{the preparation of} that
22 particular memo.

23 Q So when is the first time you saw the memo?

24 A I never saw the original draft. I saw the redacted
25 memo. I don't remember exactly when.

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1 Q Well, was it in May or June of '86, or was it
2 recently?

3 A I believe it may have been in June of '86, approxi-
4 mate time.

5 Q Was that memo sent to FBI headquarters?

6 A I am not sure if it was. I believe Kevin Currier
7 may have sent a copy of the memo to headquarters.

8 Q Is that something you didn't agree with?

9 A No, I have other responsibilities that I am involved
10 with. I am not sure always what Kevin sent ^{Does} ~~or did~~, not send to
11 Washington.

12 Q I am going to show you a memo dated May 14, 1986,
13 entitled the Costa I, and direct your attention to the
14 conclusion on page 21 that refers to the potential use of a
15 grand jury as a fishing expedition. Is this the version of
16 the memo that you saw? I understand from Kevin and Jeff tha
17 the original memo stated that we should empanel a grand jury.
18 What I am particularly concerned about though -- please think
19 carefully -- in terms of the conclusion, this last big
20 paragraph, is that the version that you saw in June of '86?

21 A I said before, I never saw the original draft where
22 Jeff Feldman stated that he was in agreement with the empanel
23 ing.

24 Q I am not asking that. We are way past that.

25 A I don't understand your question.

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1 Q Have you seen this version before?

2 A I have seen it but I can't be specific as to what
3 the date.

4 Q Okay.

5 A It may have been June or later. I cannot be
6 specific as to when I saw a copy of this memo.

7 I know about the memo because Jeff and Kevin talked
8 about the memo and Kevin Currier and I were in disagreement
9 with this last paragraph. We felt that the grand jury was
10 needed.

11 Q Specifically, do you recall this last paragraph
12 making reference to a fishing expedition having discuss that
13 or seen that before, before the day when he just handed it to
14 you?

15 A Yes. I have seen it, but I can't be specific as to
16 the date. I have a copy of this memo.

17 Q This specific one that refers to a fishing expedition

18 A I believe so.

19 Q Who gave you a copy of that?

20 A I think it was in part of the file, if I remember
21 correctly.

22 Q Well, you had to get it from somewhere.

23 A I believe the memo would have come from Jeff
24 Feldman.

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1 BY MR. FLYNN:

2 Q YOU said the original memo requested that the
3 government empanel a federal grand jury, is that correct?

4 A Yes. Jeff Feldman was in agreement that we needed
5 a grand jury, that one should be empanelled.

6 Q In the memo that you saw there, that is the
7 paragraph that was in the memo you saw then, is that correct?
8 That is the only memo that you saw?

9 A I did not see the original memo.

10 BY MS. NAUGHTON:

11 Q Did you disseminate this memo to anyone?

12 A I personally did not.

13 Q Do you know of anyone who disseminated it to anyone?

14 A I know that Jeff Feldman gave copies of the memo to
15 his boss and his subordinates. A copy must have been given
16 to our office. I am not sure who else received any copies.

17 Q Well, do you know of anyone receiving copies other
18 than the people in Mr. Feldman's office and yours, and Mr.
19 Currier's?

20 A I did not receive a copy of the memo and I personal
21 have no knowledge that Jeff Feldman even gave a copy to
22 Leon Kellner. I surmised that he did. He told me he did.

23 Q Okay, did you or Mr. Currier or anyone at the FBI
24 Miami Office, disseminate the memo to anyone else?

25 A I believe that Kevin Currier sent a copy of the mem

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1 to headquarters.

2 Q Do you recall to whom at headquarters?

3 A No, just to FBI headquarters.

4 Q Did you send a copy to anyone else within the FBI?

5 A No.

6 Q Did you send it to anyone at the NSC a copy of the
7 memo?

8 A No.

9 Q Did you send a copy of the memo to anyone in the
10 U.S. Government?

11 A No.

12 Q Do you know whether Mr. Currier did?

13 A I don't believe so, no.

14 Q Other than to headquarters?

15 A Other than to headquarters.

16 Q Did you disseminate the memo to anyone not in the
17 U.S. Government?

18 A No.

19 Q So your testimony is you didn't give a copy of the
20 memo to anyone?

21 A To anyone.

22 Q Did there come a time in which Mr. Feldman told
23 you that they had had a meeting and Mr. Kellner had decided
24 not to utilize the grand jury?

25 A Yes, right after we returned from San Jose, Costa

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1 Ríca, Jeff Feldman had a meeting with Kellner, Dick Gregory^{ie}
 2 and Ana Barnett, if I remember properly.

3 Q Did he state the reasons?

4 A They wanted to know about the case and the synopsis
 5 of our investigation and Jeff gave them a synopsis of what we
 6 had done, and at that time, he told me ~~that~~ he was upset
 7 because he said ~~I felt that I~~ ^{he} lost credibility. ~~He~~ was tired
 8 and ~~was~~ not sure whether ~~he~~ gave him a good overview of the
 9 investigation.

10 Q Did you think that the facts as he stated them in
 11 his memo of May 14, were accurate or did you think they down-
 12 played the investigation, or did you think it over-evaluated
 13 the investigation?

14 A If anything, we, Kevin and I, felt that it down-
 15 played the investigation somewhat, but we were happy with th
 16 conclusion -- that being that a grand jury should be empanell
 17 -- because we asked all along for a grand jury to assist us
 18 with our investigation.

19 Q And what did you decide to do, if anything, after
 20 Mr. Kellner had decided not to utilize the grand jury?

21 A Just continued to do our work. That is during the
 22 period where we interviewed Rene Corvo and where we interview
 23 a lot of other key figures -- Pedro ~~Rosa~~ ^{Gil} -- and we just
 24 continued to do our investigation, though we still felt that
 25 the grand jury was important, and I guess Jeff must have

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1 called us a pain more than once, because we were very
2 insistent.

3 Q Were there any plans within the FBI itself from
4 Miami to Washington to perhaps go up the chain and put some
5 pressure on people at the Department of Justice to try to
6 influence the U.S. Attorney's decision?

7 A That was the principal reason why the report,
8 prosecutor's report was written. I made a few calls to head-
9 quarters specifying that we needed a grand jury, that it
10 would be beneficial to our investigation.

11 Q And with whom did you speak at headquarters?

12 A I believe the supervisor at the time was John Simio

13 Q And do you know to whom he spoke to get the ball
14 rolling?

15 A No, I don't.

16 Q Did he ever meet with anyone at the Department of
17 Justice?

18 A He may have, but I have no personal knowledge of
19 that.

20 Q I am not asking, do you know if anyone at the FBI
21 met with anyone at the Department of Justice regarding this
22 case?

23 A ^{SIMIONE} John Simione told me he made some calls inquiring
24 about the investigation.

25 Q Did he tell you who he spoke to?

A He may have, but I don't remember.

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1 Q And what did he say the response was from the
2 Department of Justice?

3 A That they would look into it.

4 Q Do you recall when that was?

5 A That was, let's see, I believe Kevin was on
6 vacation during that time. August, if I remember correctly,
7 August of '86.

8 BY MR. FLYNN:

9 Q What was the date of the prosecutor's report?

10 A July 31, '86.

11 BY MS. NAUGHTON:

12 Q In late August or early September, did Mr. Feldman
13 tell you that Mr. Kellner had given him any instructions
14 regarding the investigation?

15 A Not that I can remember.

16 Q Has he since told you that Mr. Kellner gave him any
17 instructions not to do anything until, wait until he made a
18 decision or got back to him?

19 A He, Kellner said I want to read the prosecutor's
20 report and to hold on until he completed the review of the
21 report.

22 Q Did Feldman mention that Kellner had said anything
23 about political implications or this was a matter of political
24 anything to that effect?

25 A Not to me.

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1 Q At any time?

2 A Not that I can remember.

3 A You would have remembered that?

4 A I would think so.

5 BY MR. FLYNN:

6 Q Do you think that Feldman was upset because it
7 didn't go to a grand jury?

8 A Yes, I think he was a little upset. He felt, as
9 well as I and Kevin, that we were ready for a grand jury and
10 that obviously his higher-ups felt that we were not ready and
11 they asked him to do more leg work.

12 Well, we continued to do our leg work. Then
13 eventually, in November of '86, we did empanel a grand jury.

14 BY MS. NAUGHTON:

15 Q Did anything develop as a result of the Hasenfus
16 crash on October 5, 1986?

17 A Well, shortly after that crash we were able to get
18 a grand jury empaneled.

19 Q Were there any specific instructions regarding that
20 or did it just come out of the blue?

21 A Not that I know of. We had conducted some very key
22 interviews, very pertinent, and very successful, and I felt
23 again that we had enough to empanel a grand jury. Finally,
24 we got our wish.

25 Q That was in October of '86?

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1 A In November of '86.

2 Q Had you written another summary for headquarters?

3 A Another prosecutor's summary? No.

4 Q So the last one was July 31?

5 A Yes.

6 MR. FLYNN: Could we go off the record?

7 (Discussion off the record.)

8 BY MS. NAUGHTON:

9 The Christmas party with Mr. Kellner, is that basically
10 the only substantive conversation you have had with him
11 regarding the case?

12 A I had a few short, a few conversations with him,
13 but they were very superficial in the past. That was a
14 conversation just over lunch and we were standing there and
15 he and Dick Gregorie came over to Kevin Currier and I and
16 started talking about the case.

17 Q Did you discuss the media criticism of Mr. Kellner?

18 A Not that I remember. I may have, but -- it, for
19 some reason it doesn't enter into my mind. I don't know if
20 I did or not. I may have.

21 Q Did you ^P ~~peak~~_A to Mr. Jamar from headquarters
22 recently?

23 A Not that I can remember.

24 Q At any time?

25 A No.

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1 Q Has anyone from headquarters asked you whether or
2 not any information was disseminated outside channels on this
3 case?

4 A Not that I can remember. If any information was
5 disseminated outside of --?

6 Q Outside of the FBI?

7 A No, I don't think so.

8 Q You haven't discussed with, say, in the last three
9 weeks with anyone from the FBI?

10 A No. (10) BUESO-ROSA

11 Q I have to ask you about a couple more investigation
12 They may want to get back to this one -- [REDACTED], did you
13 have any involvement with that case?

14 A Very minor. I helped one time deliver some evidence
15 during the trial. I helped with the crime scene.

16 Q To your knowledge, was there anything to connect [REDACTED]
17 [REDACTED] with any United States Government officials?

18 A I have no knowledge of that. Again, my function
19 with that case was very superficial. I did a crime scene and
20 I helped with some evidence.

21 Q Do you know of any activities by government officials
22 to intercede on behalf of [REDACTED]?

23 A No.

24 Q Do you know of any sentencing information imparted
25 by the U.S. Government on behalf of [REDACTED]?

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1 A No.

2 Q Do you know where [REDACTED] is serving his
3 sentence?

4 A No.

5 Q The Hasenfus investigation, were you involved in
6 that at all?

7 A No.

8 Q What have you heard or learned about any efforts
9 to delay the investigation of a couple of weeks?

10 A I believe two of our agents were sent out to
11 investigate the case and headquarters just requested that the
12 investigation be delayed for a couple of weeks, that is all.

13 Q Do you know for what reason?

14 A No.

15 Q Was there any negative response by the agents work
16 ing the case?

17 A Not that I KNOW.

18 Q Going back to the Corbo investigation, at any time
19 did you receive any directions from any source, either the
20 U.S. Attorney's office, the FBI, or any other government
21 agency, to slow down the investigation?

22 A No, and we never did, as a matter of fact,

23 I have never worked harder on a case than this one
24 and I have had some good cases.

25 Q To your knowledge, did Mr. Feldman ever receive

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1 such instructions to show down the investigation?

2 A No.

3 MR. FLYNN: Who are the case agents on the neutral
4 case?

5 THE WITNESS: Kevin Currier and I.

6 MR. FLYNN: It is a ~~detail~~ 

7 THE WITNESS: Yes. We could use a couple more.

8 BY MS. NAUGHTON:

9 Q Did you share any of this information with U.S.
10 Customs?

11 A Yes, we are working in conjunction with the U.S.
12 Customs.

13 Q Did you provide them a copy of the Feldman memo of
14 May 14th?

15 A I didn't, I am not sure whether Feldman did. The
16 agent who was working the case with us is Jim Kilfoil.

17 Q Did you provide him with a copy of your March
18 summary or your July prosecution memo?

19 A I did not.

20 Q Do you know whether Mr. Currier did?

21 A No.

22 Q Did you make any request to interview 

23 later on after your meeting in April?

24 A I believe that Jeff Feldman requested that we be
25 allowed to read his transcripts of testimony he gave.

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1 Q Gave where?

2 A Here in Washington.

3 Q Before the committees.

4 A YEs, and we are still waiting to review those state-
5 ments.

6 Q Do you recall anyone at the embassy say, making any
7 references to Hull's relationship with the President?

8 A Yes.

9 Q What do you recall about that?

10 A Jim Nagel² Basically he said John Hull is a persona
11 friend of Ronald Reagan, if you know what that means. . That is,
12 all he said.

13 Q In what context did that come up?

14 A Our inquiries and our investigation, it was during
15 one of the meetings.

16 Q So you were discussing Mr. Hull?

17 A Well, they knew that we wanted to interview John
18 Hull. They knew John Hull was part of our list that had been
19 made known to Ambassador Tambs and Jim Nagel was present
20 during the meeting.

21 Q Did Mr. Nagel mention this as a way of encouraging
22 you to investigate John Hull, or as a way of discouraging you
23 from investigating Mr. Hull?

24 A I am not sure what he was trying to do. He was ver
25 helpful. He took us to La Reforma prison. He ^{MADE} sure we

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1 got there and ~~came~~ back and he was very pleasant. I am not
2 sure what he was trying to indicate to us with that statement.

3 Frankly, I didn't care who John Hull knew, I was
4 going to proceed with my job, period.

5 Q Have you ever spoken to Mr. Revell about the case
6 at any time?

7 A No.

8 Q Have you ever communicated with the case other than
9 preparing the summary in March?

10 A If by communicating, you mean writing reports and
11 writing airtels and teletypes, I have done that.

12 Any form of communication who read it, I am not
13 sure they were sent to FBI headquarters.

14 Q Are you familiar with the name Richard Miller?

15 A Miller sounds familiar and I believe that he may be
16 living here in Washington. Is that the one you are referring
17 to?

18 Q Yes.

19 A Who is a public relations man?

20 Q Yes.

21 A His name came up.

22 Q In your investigation?

23 A Yes.

24 Q Did Mr. Secord come up in your investigation?

25 A Yes.

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1 Q Mr. Clines, Tom Clines?

2 A No.

3 Q Ted Shackley?

4 A Not familiar.

5 Q I think those are my questions.

6 BY MR. LISKER:

7 Q Special Agent Kiszynski, when you report on your
8 cases you normally send them to headquarters and dissemination
9 was made to the various sections and divisions of headquarters
10 is a matter of prerogative of headquarters. Is that something
11 you ordinarily direct the division 6 or division 5; is that
12 correct?

13 A That is correct.

14 Q Now, you described Mr. Revell as an Assistant
15 Director of the FBI. In fact, is he not an Associate
16 Director?

17 A You are correct.

18 Q So he is not only in charge of division 6, but in
19 charge of all investigative divisions?

20 A Yes sir.

21 Q So he would be sort of the hub of the wheel as far
22 as sensitive cases information?

23 A Yes sir.

24 Q And Director Webster relied on him to keep him
25 informed of those cases which were important in terms of

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1 current Bureau activities?

2 A Definitely.

3 Q You mentioned Jack Terrell. What can you tell the
4 committee about Jack Terrell?

5 A Could you repeat that?

6 Q You mentioned Jack Terrell. What can you tell the
7 committee about Jack Terrell in terms of his background, his
8 psychiatric history or his criminal history?

9 A I could tell you a great deal, but that is going
10 into the investigation.

11 Q Let me ask you this. Has Jack Terrell served time
12 in prison?

13 A Yes.

14 Q Can you tell me how long he was in prison and what
15 for?

16 A Approximately ten years. Car theft, breaking and
17 entering.

18 Q And as far as his reliability, based on your
19 experience with him, how would you characterize him -- highly
20 reliable, slightly reliable, unreliable, totally unreliable?

21 A How about totally unreliable. I can't say totally,
22 because I think some of the information that he provided has
23 merit, but let's say he is an unusual character.

24 Q I just want to run some names by you. Do you know
25 a Gary Shepherd, Inspection Agent Gary Shepherd of the

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1 -- Washington field office?

2 A No sir.

3 Q Do you know Inspection Agent Mary Frenzel of the
4 New York field office?

5 A No sir.

6 Q Do you know Inspection Agent Gary Arms of the New
7 York City office?

8 A No sir.

9 Q Do you know an individual associated with the CIA
10 who uses the name [REDACTED]

11 A No sir.

12 Q Do you know an individual by the name of Sergio
13 Pinon?

14 A Yes sir.

15 Q Do you know an individual by the name of Raymond
16 Melina?

17 A Ray Melina is familiar but it is a common name in
18 Miami.

19 Q He would be a former Nicaraguan.

20 A I can't place him.

21 Q An agent for Somoza.

22 A I may have heard the ^{name} ~~one~~. It sounds familiar, but

23 I am not sure if I met him or --

24 Q How do you know Sergio Pinon?

25 A He ^{is} ~~was~~ a former Miami police officer. Previous to

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1 that, he was a Miami police officer, then he worked for the --

2 Q Department of --

3 A Department of Law Enforcement, and now he is
4 currently working for one of the major credit card companies.

5 Q So he was a contact rather than somebody that you
6 had under investigation or an associate, colleague. Is that
7 what you are saying?

8 A Yes.

9 Q The question was asked whether or not you discussed
10 certain documents with various entities of the FBI. The FBI
11 Inspection Division has this matter under review at this time,
12 that is, the allegation of a special relationship with Oliver
13 North and someone in the Miami office.

14 A I have not been interviewed about that.

15 Q I thought that was rather curious you said you had
16 not.

17 A No, I have not.

18 Q Would it be customary in such cases where allegation
19 are made for the office of responsibility in the Inspection
20 Division to make inquiry to see whether there are any merit to
21 those allegations?

22 A It depends on the situation. That doesn't mean I
23 wouldn't be asked to comment on that relationship, but I
24 haven't to date. The Bureau is aware that I have had no
25 contact with Oliver North because I gave that information to

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1 my superior and to the superiors in the Miami office. My
2 direct superiors and to the SAC.

3 Q Now, getting back earlier to one other thing that
4 was mentioned in connection with the ongoing investigation.
5 It is the mission of the FBI to conduct the investigation, to
6 analyze the fact and present such evidence, such evidence,
7 that is developed to the appropriate Assistant U.S. Attorney,
8 and even perhaps to the U.S. Attorney.

9 Is it unusual situation for an Assistant U.S.
10 Attorney or the United States Attorney, once it is presented
11 to an Assistant, to say after reviewing the case, that it
12 doesn't appear that we have enough yet to empanel a grand
13 jury, I would like to go back and conduct additional
14 investigation and pursue various areas and specific various
15 areas. Is that an unusual occurrence?

16 A No, it isn't.

17 Q So that in fact as you do your investigation, you are
18 second guessed along the way by assistants. Not only by
19 assistants --

20 A We are second guessed by everybody.

21 Q So the mere fact that someone doesn't agree with your
22 initial recommendation on empaneling a grand jury and
23 suggestion that additional investigation might be merited, is
24 not unusual?

25 A No, it isn't, and, of course, I have my opinions

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1 and I will pursue my goals, if eventually we empanel the Grand
2 Jury that was our objective, and if it was premature at that
3 time, we continue to obtain additional information which we
4 did, which I think was very pertinent to the investigation.

5 Q Thank you. I have no additional questions.

6 BY MR. FLYNN:

7 Q When you talked to Rene Corbo in Florida in January
8 of '85 --

9 A I didn't talk to Rene Corbo, I think you mean
10 Garcia spoke to Rene Corbo in Miami.

11 Q I beg your pardon.

12 A That was Garcia in January of '85.

13 Q You talked to Garcia in January of '85. Did you
14 talk about Jorge Ochoa?

15 A Yes.

16 Q Did you talk to Garcia about Ochoa?

17 A I believe he mentioned Ochoa being part of the plot
18 to assassinate Lewis Tambs.

19 Q Can you tell me exactly what Ochoa was supposed to
20 do?

21 A If I remember correctly, Ochoa offered \$1 million
22 for the assassination of Lewis Tambs.

23 Q Did Terrell tell you anything that was different
24 or didn't you talk to Terrell at all?

25 A I did talk to Terrell.

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1 Q Did he tell you basically the same thing?

2 A Terrell talked about a plot.

3 Q That is all.

4 MR. GENZMAN: I have nothing further. Thank you.

5 THE WITNESS: Thank you.

6 (Whereupon, at 3:35 p.m., the deposition was adjourned.)

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